

# Clinton's 'Painful Day': Grand Jury Gets Story

Under a Cloud of Legal and Political Issues, President Fields Questions About Lewinsky

By Brian Knowlton  
International Herald Tribune

WASHINGTON — Under a cloud of political peril and legal threat, President Bill Clinton on Monday became the first sitting president to appear before a grand jury investigating possible criminal behavior.

In a closed hearing that brought Mr. Clinton up against his persistent adversary, the independent counsel Kenneth Starr, the president faced questions about allegations that have

Outside politics, there is dismay over an 'immorality tale.' Page 3.

rocked his presidency: that he had a sexual relationship with a young intern, Monica Lewinsky, and then asked her to lie or conceal evidence of it.

The testimony, expected to last at least four hours, was being transmitted from the White House Map Room by a secure fiber-optic cable to a federal courthouse 12 blocks away. There, in the courtroom of Judge Norma Holloway Johnson, 23 grand jurors, a cross-section of Washington citizenry, watched on two television monitors.

Michael McCurry, the presidential spokesman, said it would be "a particularly painful and difficult day for the president."

Mr. Clinton felt confident, Mr. McCurry said, although "I wouldn't say he's exactly looking forward to it."

Mr. Clinton entered the tense session ready to admit to an "inappropriate" physical relationship with Ms. Lewinsky, according to his advisers, but he planned to deny any criminal actions such as perjury, subornation of perjury or obstruction of justice, The Washington Post reported.

Mr. Clinton was considering making a televised address to the nation after his testimony, aides said.

The president's supporters have said that they hoped the testimony, coupled with a public statement, would allow the president to help end the crisis that has preoccupied and distracted him since January.

"We've been through seven months of hell," the former White House chief of staff, Leon Panetta, said Monday on NBC. "It's weakened the presidency. It's undermined confidence in our judicial system. It's bankrupted a lot of staff people who've had to testify. I think it's challenged families with their kids. And



Kenneth Starr, the independent counsel, leaving home Monday.

it's produced gridlock in the Congress. The time for healing has come."

Uncertainty over the president's testimony left Americans to ponder in

See CLINTON, Page 3

# Regret Abroad on Lost Leadership

Officials Privately Express Their Puzzlement and Resentment

By Joseph Fitchett  
International Herald Tribune

PARIS — A cartoon published Monday on the front page of the newspaper Le Monde shows a dazed-looking pair, Bill Clinton and Boris Yeltsin, stripped of almost everything but their underwear.

What happened to you? Mr. Clinton asks. "An intern."

"No!" Mr. Yeltsin replies. "A devaluation."

The imagined scene of the American and Russian leaders facing their respective moments of truth, captured a widespread international image of Mr. Clinton as a devalued leader.

While they repeatedly deny it in official statements supporting their fellow incumbent in Washington, foreign leaders are puzzled and even resentful, officials say privately, about a chain of events that has put Mr. Clinton on the defensive, crippled White House initiative and deprived the West of attentive, sustained U.S. leadership in a series of international crises.

Their conflicting impulses — the reflex of standing by the democracies' leader and disappointment over

Mr. Clinton's inability to deliver internationally — have been only partially mirrored in media reaction. Since last weekend, foreign publications and television stations have bored in on the dramatic moment when Mr. Clinton would become a sitting president under interrogation, an unthinkable eventuality in almost any other country.

Even now, Europeans admit bafflement as they contemplate the world's most powerful nation finding itself in near political paralysis because of sexual antics involving a middle-aged leader and a young, provocative woman of legal age.

The theme of bedroom farce continued Monday when Elle, the French women's magazine, published a full-page cut-out of Monica Lewinsky's doll whose wardrobe includes Teflon jeans — recommended wear, the magazine said, around the president instead of a dress that stains easily.

But a new mood among Europeans, a slightly aggrieved sense that Mr. Clinton's woes have started dragging them down in his wake, surfaced in a sharp sound bite from the former French minister of culture Jack Lang.

"The American president's sex organ seems to have

See ALLIES, Page 3

# Police Arrest 6 Over Irish Bomb Blast

By James Clarity  
New York Times Service

OMAGH, Northern Ireland — British police on Monday arrested six men in towns near here for questioning over the car-bomb attack in Omagh that killed 28 people and injured 220.

The blast, the deadliest in 29 years of sectarian violence in this predominantly Protestant British province, is widely believed to have been the work of a group calling itself the Real IRA, which splintered from the Irish Republican Army earlier this year.

On Sunday, Prime Minister Tony Blair of Britain and his counterpart in Ireland, Bertie Ahern, pledged to hunt

down the killers and made it clear they thought the Real IRA staged the attack, and that the group was effectively the military wing of a political splinter group, the 32-County Sovereignty Committee.

The Sovereignty Committee vehemently opposes the new Northern Ireland peace agreement because it leaves the six northern counties under British sovereignty. The group wants the six counties subsumed in the overwhelmingly Roman Catholic Irish Republic, which has 26 counties.

The Royal Ulster Constabulary gave no details on the arrested suspects. But the identity of one was revealed by his father, a leader of the Sovereignty Com-

mittee in Omagh. And two London newspapers identified the leader of the Real IRA as a former IRA weapons expert who defected after the IRA decided to observe a cease-fire 13 months ago.

Francis Mackey, an Omagh councilor, said his son, Shane, had been arrested Monday morning. Mr. Mackey, a prominent member of the 32-County Sovereignty Committee, said the arrest was harassment and that his son had nothing to do with the bomb attack. He said he was sorry for the victims, but declined to condemn the attack categorically. He added that the committee had no links with the Real IRA. Security

See ULSTER, Page 4

# Russia to Allow Ruble to Fall By 34% to Survive Cash Crisis

Moscow Also Declares Moratorium on Foreign Debt

By Celestine Bohlen  
New York Times Service

MOSCOW — The Russian government moved Monday to avert financial collapse with a series of drastic measures that included the sacrifice of the ruble to market forces and a 90-day moratorium on privately held foreign debt.

Holding at 6.47 rubles to the dollar late Monday, the value of the Russian currency is now free to float to as low as 9.5 to the dollar, a risky step — tantamount to a 34 percent devaluation — that many fear could trigger a new round of inflation and take a 40 percent bite out of Russian household savings.

Prime Minister Sergei Kiriyenko said Monday that the new measures had been made necessary by the near-collapse of the country's banking system last week and by the exodus of foreign capital from Russian markets over the last three months.

"The measures are tough ones, quite radical ones," said Mr. Kiriyenko, whose government adopted the program at an emergency meeting Saturday. "But they are inevitable ones. We do not have the right to put them off."

As word of the ruble's downward drift hit the streets, Russians headed for banks or currency exchange booths, looking to retrieve their savings or convert rubles into dollars. Although the official exchange rate was steady after a day of low volume trading on the local currency market, some currency traders were offering rates as high as 9 rubles to the dollar, which some analysts took as hint of a steeper drop to come.

"At this point, we don't know where the ruble will settle down and when," said Charles Blitzer, director of emerging markets research at Donaldson, Lufkin & Jenrette. "They are allowing it to float and will try to use monetary policy and currency interventions to control it. But it remains to be seen whether they will be able to do it."

The government, which late last week was trying hard to downplay the imploding crisis in the banking system, swung into action over the weekend amid fears that the crisis would spark a run on the banks and spiral out of control.

"After last Friday, when a run on the banks was starting, there was not much they could do," said Holger Mueller, banking analyst at the Moscow office of the investment firm Fleming UCB. "By defaulting on foreign creditors, they would like to protect the Russian population, but I think it is quite dangerous."

According to one Russian economist, the package was discussed over the weekend with officials from the International Monetary Fund and leading Western governments.

The U.S. Treasury secretary, Robert Rubin, offered support to the Russian government. The Associated Press reported from Washington.

"We believe it is critically important that the Russian authorities move quickly to take actions to restore confidence, including the adoption of a careful and cooperative approach to dealing with its creditors and the full implementation of the measures outlined in the Russian stabilization program agreed with the IMF," Mr. Rubin said.

[Stressing that "the United States and the international community have a great stake in successful Russian economic reform," Mr. Rubin said it would be critical for the IMF to work with

See RUBLE, Page 4



A woman reading exchange rates Monday at a Moscow moneychanger.

# Gamble on Devaluation Is High-Risk, High-Gain

Yeltsin's Future — and Country's — at Stake

By David Hoffman  
Washington Post Service

MOSCOW — President Boris Yeltsin, faced with a near collapse in the banking sector, a ballooning public debt and signs of panic on the streets, took an enormous gamble Monday with the one solid achievement of his years at the helm of the post-Soviet economy: stability of the Russian ruble.

The decision to allow the ruble to devalue is a major turning point in the zigzag saga of the Yeltsin-era reform efforts, which have sought with limited success to transform seven decades of a command economy into a competitive, free-market system.

At stake in Mr. Yeltsin's latest gamble, according to analysts here, is not only the path of the ruble, but the course of the country and who will lead it after Mr. Yeltsin. If devaluation works, Mr. Yeltsin may stave off a more catastrophic collapse. But if it doesn't, Russia may

turn further away from the free-market direction he charted, somewhat sporadically, in recent years.

"The only success story which Yeltsin could sell to the public was a stable ruble and low inflation — and now it's over," said Andrei Piontkovsky, a political analyst and acerbic critic of Russia's increasingly oligarchic style of market capitalism. "It's the political end for Yeltsin, who said there would be no devaluation."

But others said the decision had to be weighed against the consequences of trying to defend the ruble, which was becoming extraordinarily costly as investors lost faith that Moscow could put its finances in order. Despite a \$22.6 billion bailout package led by the International Monetary Fund in mid-July, the Russian government was shelling out its foreign currency reserves at a rate of nearly \$1 billion a week to keep the ruble steady against the dollar.

Then, last week, the banking system teetered on the precipice of collapse. Banks could not meet dollar obligations they had made earlier. Interbank lending seized up. Most of the major banks are owned by the politically savvy group of financiers known as Russia's ruling "oligarchy," and their very survival was at stake, analysts and banking officials said.

The government was "facing something so bad that if they hadn't done anything, it would have been Indonesia," said Al Breach, an analyst at the Russian European Center for Economic Policy here, referring to the popular unrest that led to the fall of President Suharto in Jakarta this year.

"It is a gamble if you consider the whole paying field open, but when you realize what section of the field you are

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# North Korea Concealing Nuclear Site, U.S. Says

By David E. Sanger  
New York Times Service

NEW YORK — U.S. intelligence agencies have detected a huge secret underground complex in North Korea that they believe is the centerpiece of an effort to revive the country's frozen nuclear weapons program, according to officials who have been briefed on the intelligence information.

The finding has alarmed officials at the White House and the Pentagon, who fear that the complex may represent an

effort to break out of a four-year-old agreement in which North Korea pledged to give up its nuclear weapons program in exchange for billions of dollars in Western aid.

The finding also follows a string of provocations by the North, including missile sales to Pakistan and the incursion of a small North Korean submarine carrying nine commandos off the South Korean coast this year.

The North has said in recent months that the United States is reneging on its side of the agreement because Congress has failed to authorize tens of millions of dollars in fuel shipments for the North.

The shipments are the main American contribution to a \$6 billion program, under which South Korea, Japan and other nations are supposed to finance a major electric energy program as a quid pro quo for the North's abandonment of its ambitions to develop nuclear arms.

A senior administration official said the North had not yet technically violated that accord, called the Agreed Framework, because there is no evidence that Pyongyang has begun pouring cement for a new reactor or a reprocessing plant that would convert nuclear waste into

# AGENDA

## UN Weighs Telling Inspectors to Go On

UNITED NATIONS, New York (Reuters) — The Security Council is considering telling UN weapons inspectors to continue with a "full range of activities" in Iraq, despite Baghdad's recent decision not to cooperate, which has led to a temporary suspension of inspections, council sources said on Monday.

The 15-nation body was to hold consultations later Monday to discuss replies to be sent to the heads of the UN Special Commission, which is in charge of scrapping Iraq's chemical, biological and ballistic missile programs, and the International Atomic Energy Agency, which formally notified the council last week that their activities had largely been blocked.

PAGE TWO

China's Losing Battle With Nature

Europe

The Growing Carnage in Kosovo

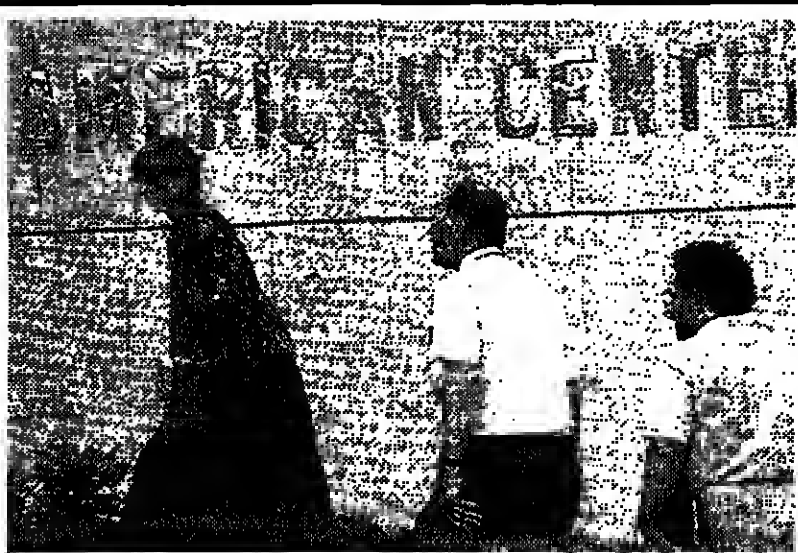
Books

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LEAVING PAKISTAN — Americans going to a meeting in Islamabad Monday, where the U.S. began evacuating diplomats because of security concerns linked to the bombings in Africa. Page 4.

# Vowing Victory, Kabila Flees Kinshasa

Despite claims that he would defeat an advancing rebel army, President Laurent Kabila of Congo left Kinshasa, his embattled capital, and headed to Lubumbashi, his southern stronghold, a government official said Monday.

Mr. Kabila returned Sunday to Kinshasa from Angola, where he had met with the presidents of Namibia and

Angola. State television repeatedly showed Mr. Kabila arriving at the Kinshasa airport, smiling and denouncing the rebels. But the television did not mention that Mr. Kabila quickly re-boarded his presidential jet and left for Lubumbashi, where he spent much of last week, a senior government minister said. Page 2.

Newsstand Prices

Bahrain	1,000 BD	Mali	55 c
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Dominican	14,000 DR	Oman	1,250 QR
Finland	12,000 FM	Qatar	10,000 QR
Gabon	£ 0.85	Rap. Island	IR £ 1.00
Ghana	£ 0.80	Saudi Arabia	10 SR
Great Britain	£ 5.50	S. Africa	R12 + VAT
Guinea	1,250 JD	U.A.E.	10,000 Dh
Jordan	K. Sh. 160	U.S. Mtl. (Eur.)	\$ 1.20
Kuwait	700 Fils	Zimbabwe	Zim \$40.00

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## Thousands Die Each Year / 'Conquer Nature'

## China's Nightmare: Floods

By Michael Laris  
Washington Post Service

HANNAN, China — Zhou Xunzhi remembered when the waters spilled into her village 44 years ago. "The corpses were put in coffins, but they could not be buried," said Mrs. Zhou, 74, a farmer who still lives in the same run-down house near Wuhan that was submerged in 1954. "They were just stacked up."

A photograph, snapped last week by a Chinese journalist who infiltrated the military cordon surrounding a region of the country that has been hit hard by floods, told a similar tale. In it, an anguished mother sits a tree, her face buried in her hands, as she looks on as the family's collapsed home, to see her face one more time.

Floods are China's recurring nightmare. Decades of economic development have brought the oasoo many of the trappings of modernity, from laptop computers to skyscrapers, but floods still kill thousands and humble millions nearly every year.

The Yellow River has flooded so often that it is known as China's sorrow. While the wrath of heaven is blamed for the floods, all the destruction has not been caused by nature. Decades ago, the Nationalist leader Chiang Kai-shek diverted the course of the Yellow River, killing 200,000 people in a futile attempt to stop a Japanese Army offensive.

Officials now use the deadly history of the Yangtze, China's longest river, to justify the country's riskiest and most controversial infrastructure project — the enormous Three Gorges Dam.

The changes in the way China has faced the floods over the last half century show much about how its society has changed and also illustrate its troubled relationship with its environment.

China has made progress protecting its people from the ravages of its rivers. Major dikes have been lengthened and improved. In 1931, 140,000 people drowned when Yangtze dikes gave way under the pressure of lower volumes of water than have flowed this year.

When massive floods hit China in 1954, just five years after the founding of the People's Republic, the country was poor and unprepared. Many officials were unpracticed in mobilizing flood control efforts. The army was inexperienced and left weakened by the Korean War.

"Right after liberation, government efficiency and communications were all terrible," a

senior flood-relief official said. "At the time, there were very few phones, let alone satellites or weather forecasts." To warn others of coming floods, he said, "You'd have to ride a horse or run, but if you ran, the water could beat you."

But even with cell phones and helicopters, flood deaths — although on a different scale — are still so common in China that officials can seem almost blasé when they recite the figures. "More than 2,000 have died in the floods since the flood season started," said Fan Baojun, deputy minister of the Civil Affairs Ministry, which is in charge of flood relief. "It's average. That is fewer than in 1991 and more than in 1994 and 1996."

It is becoming more difficult to protect people from floods. Since 1954, the population has more than doubled, to 1.2 billion from 582 million, with most of it concentrated around river beds. Farmers with no other place to till crops have turned flood plains near major waterways into farmland, inhabiting flood channels, man-made flood diversion zones and natural run-off areas.

Land reclamation by farmers, along with accumulated silt deposits, have shrunk Dongting Lake in Hunan Province to 2,700 square kilometers (1,042 square miles) from 6,000 in 1825, according to Wang Shengfu of the Yangtze River Water Conservation Committee. In the 1950s, there were 1,332 lakes in Hubei Province; by the 1980s, there were 843, the Xinsha press agency quoted Mr. Wang as saying. Local embankments built by farmers inside the dikes are also hemming in, and thus raising, the Yangtze's level.

Those individual decisions — most in contravention of China's Flood Control Law — are affecting the entire Yangtze region. This year, river crests have been higher than in 1954, even though the volume of water rushing down the Yangtze was greater then.

Although the vast networks of soil dikes have been fortified, they are still primitive. Local governments have organized millions of people to patrol them around the clock. When water seeps under the dikes and hobbles up from the ground just beyond them, workers rush to cover the wet areas with sand and gravel to prevent a breakthrough. Flood-control officials say that even ants can cause major damage.

"In foreign countries, people don't understand why we have a million people on the dikes," said Zhao Minzheng, an engineer who heads the Hubei flood-control headquarters. "If we could, we would put reinforced concrete" underneath the dikes, he said, but China lacks the resources.



Residents of Hukou in southeast China, which has been flooded for a month, paddling through the streets. With increased population, much of it around rivers, China is finding it harder to protect people from floods.

The ground beneath a vital section of the Yangtze River dike near Jinjiang city gave way last week, opening a 37-meter (120-foot) breach and causing concern that other waterlogged flood banks could also collapse. Panicked local residents tried to plug the hole with a large truck and a small ship, but both washed right through. It took an army unit four days to plug the gap.

IN CHINA, floods have a meaning beyond local dislocation. The Chinese have traditionally believed that floods mark the end of a dynasty. At a minimum, they are considered a litmus test for leaders. President Jiang Zemin's name can be taken to mean "the river soaks the people" — a bad omen, people say.

The government has censored much of the flood reporting. Soldiers kept all but a few journalists who work for the key central government organs — the People's Daily, Xinhua and China Central Television — away from the areas with the highest loss of life. But several aggressive Chinese journalists made their way to these scenes on boats with other authorities. Their images, such as that of the mother with her dead child, have not been published here.

Statistics, too, are suspect. The government reports that at least 2,000 people have died in

floods this year, but even the number killed by floods decades ago is still unclear. For example, official figures say 30,000 people died in the 1954 floods. But Mr. Zhao, head of the Hubei flood headquarters, said the actual figure was "more than 200,000," including those who died because of accidents, starvation and disease in the aftermath of the floods.

Some American and Chinese water experts have argued that China could have done more to mitigate the floods this year. "China is building gigantic projects, such as the Three Gorges and Xiaolangdi dams, while neglecting their existing flood management system," said Philip Williams, president of the International Rivers Network.

Dai Qing, a prominent dissident and critic of the Three Gorges Dam project, said that mankind's faulty management of its natural surroundings was to blame for the flooding this year. Clear-cutting of timber along the upper reaches of the Yangtze River, which causes soil erosion, is one of the factors that has dangerously altered the environment, he said.

A recent article in China Economic Times took China to task for blindly following communist slogans such as "Conquer nature!" "What a shame on this nation that used to believe in the unity of nature and man," it said.

## Kabila Flees Capital Even As He Vows Rebel Defeat

Compiled by Our Staff From Dispatches

KINSHASA, Congo — Despite defiant claims that he would defeat an advancing rebel army, President Laurent Kabila left his embattled capital and headed to a southern stronghold, a government official said Monday.

Mr. Kabila returned to Kinshasa on Sunday from the Angolan capital of Luanda, where he had met with the presidents of Namibia and Angola. State television repeatedly showed Mr. Kabila arriving at the Kinshasa airport, smiling and defiantly denouncing the rebels.

But the state broadcasting service did not mention that, with the rebels nearing the capital, Mr. Kabila then quickly reboarded his presidential jet and headed to Lumbumbashi, his former rebel stronghold where he spent much of last week, said a senior government minister, who spoke on condition of anonymity.

Facing a worsening crisis, Mr. Kabila had called an emergency meeting of his staff and cabinet Monday.

Shops and markets in the capital of Kinshasa were crowded with people buying extra provisions. By afternoon, electricity was cut throughout Kinshasa — the second interruption since the rebels began their advance two weeks ago. It was not immediately clear what caused the outage.

Belgium and France were planning to continue evacuating foreigners by air from the capital, and President Boris Yeltsin of Russia ordered the evacuation of all personnel and dependents from the Russian Embassy.

Russia also promised assistance to citizens of the other former Soviet republics that make up the Common-wealth of Independent States. Citizens of the republics often work in Congo as pilots and flight crews on charter flights.

Before the electricity failed, state radio had repeatedly broadcast Mr. Kabila's defiant claim that he would arm the people and prevail against a rebel movement.

He also lashed out at the international community and accused the West of plotting against his government.

Western nations have "never been supportive of President Kabila simply because I do not represent their interests," Mr. Kabila said on the state-controlled Voice of the People radio. "We have come, and we will stay here. In any case, the aggressors will fail."

The rebels — a coalition of ethnic Tutsi fighters, Rwandan soldiers and disenchanted members of Mr. Kabila's military — have been making steady progress toward Kinshasa, said a Western diplomat, who spoke on condition of anonymity.

Many of the rebels had helped Mr. Kabila overthrow the longtime dictator Mobutu Sese Seko in May 1997 but now say they have been marginalized by the government.

The rebels have captured the western Congo River port town of Matadi. A diplomat in Kinshasa said he had received reports that rebels were near the town of Mbandaka-Ngungu, 150 kilometers (90 miles) south of the capital.

In eastern Congo, the rebel commander Jean-Pierre Ondekame said that his forces had taken the town of Lubutu, 200 kilometers from Kisangani, the second-largest city in Congo.

(AP, AFP, Reuters)

## DEATH NOTICE

Bradford Thomas Wright, of St. Non La Breche, France, died on August 13 in the Clinique Marie Therese in St. Germain En Laye. Mr. Wright was born in Charlottesville, Virginia on November 1, 1946 and was a graduate of St. Michaels College in Vermont. He received his Master of Arts in history from the University of Vermont. Mr. Wright taught at several international schools and served as the Chair of the History Department at the Lycée International in St. Germain En Laye before moving to The American School of Paris located in St. Cloud where he was a history and psychology teacher for the past ten years.

Mr. Wright is survived by his wife Jacqueline, his son Dylan, nine, and daughter Caitlin, seven, all of St. Non, and his son, Bradford, presently teaching at the University of Maryland in Germany. He is also survived by his brother, Ted, of Syracuse, New York and a niece and a nephew. He was the son of the late Albert and Mildred Wright of Milford Connecticut.

A Memorial Service and Benediction will be held at the Eglise Catholique, rue Charles de Gaulle in St. Non La Breche at 3:00 p.m. on Friday, August 21. Contributions may be made to the Cancer Society of France, Ligue Contre le Cancer, Centre hospitalier, 30, rue Armagnac, 93100 Saint-Denis-la-Plaine.

## Nigerian Rulers Try to Recover Funds Looted by Abacha

By James Rupert  
Washington Post Service

ABUJA, Nigeria — As the military government of General Abdulsalam Abubakar prepares to return this country to civilian rule, it is trying to recover money stolen by his predecessor, General Sani Abacha.

Public appeals are growing for an overall inquiry into corruption and alleged assassinations by General Abacha's regime, but such broad investigations are seen as unlikely until after the military's scheduled return of power to a civilian government next May.

Military officers and the central bank are searching for billions of dollars in assets that Nigerian investigators and oil industry analysts say General Abacha appears to have hidden overseas, officials said. They have recovered about \$500 million hidden in bank accounts and safe houses by General Abacha's former national security adviser, Ismail Gwazro, according to the Lagos-based newspaper Thisday.

General Abacha, who ruled by decree for more than four years before dying in

June, reportedly of a heart attack, took a cut of official contracts — for construction, for services and, most lucratively, for Nigeria's enormous sales of crude oil. Since his death, politicians, labor leaders, journalists and Nigerians in general have filled newspaper columns with appeals for investigations of financial corruption, human rights abuses and suspected political killings under General Abacha.

Some Nigerians talk of establishing a truth and reconciliation commission along the lines of South Africa's.

"It is hoped that a national truth commission" would provide a framework for "the collective search for what went wrong with our past," the Lagos Daily Post Express said in an editorial Saturday. But until civilians rule, "the time is probably not auspicious for it," it said.

As newspapers have printed new accounts of corruption by General Abacha's top aides, pressure has grown for their prosecution. The main targets include Mr. Gwazro; the former military ruler of the capital, Lieutenant General Jeremiah Useni; General Abacha's security chief, Major Hamza Mustapha; General Abacha's widow, Maryam, and their son, Mohammed.

Officials speaking on condition of anonymity, confirmed Mr. Gwazro's arrest. Thisday, citing what an editor said were "investigative and central bank sources," said authorities arrested Mr. Gwazro in his home village Aug. 1 and, after interrogating him, recovered about \$500 million. About half of it was in U.S. and British currency hidden in trunks and an underground safe at houses Mr. Gwazro controlled, the newspaper reported Saturday.

In addition, authorities have identified \$1.8 billion placed by General Abacha or his aides in bank accounts in Brazil, Lebanon, Britain and Switzerland, the paper said. They seem to be trying to get as much back as possible before prosecuting anyone," a Thisday editor said.

The government may have targeted Mr. Gwazro first in part because he is politically vulnerable, a Western diplomat said. "He has no political allies. Other people were corrupt who remain powerful and will be more difficult," he said.

Officials said other former Abacha aides are being questioned but would not name them. General Useni, who was seen as a potential successor to Gen-

eral Abacha, retired soon after General Abacha's death and has dropped from public view. Press reports, unconfirmed by officials, say he is under house arrest. Major Mustapha, who led Abacha's feared force of bodyguards, was reassigned to a unit in the eastern city of Enugu but has not shown up there and has been reported to be under questioning.

Maryam Abacha and her children are ensconced in their palatial home in the northern city of Kano, and the government has barred them from traveling abroad, officials said. Immediately after General Abacha's death, the family moved numerous husbands of money, goods and documents to the Kano residence, a Nigerian source quoted employees at the presidential villa as saying.

Most of the family's assets are said to be overseas, notably in Saudi Arabia and the Arab states of the Gulf.

"Abubakar will find some difficulties in moving against the Abachas," a Western diplomat said. With corruption endemic in Nigeria's politics and military, that might raise the issue of pursuing others, he said, including General Ibrahim Babangida, a wealthy former ruler who is a longtime friend of General Abubakar's.

## TRAVEL UPDATE

## U.S. Expands Global Travel Alert

WASHINGTON (AP) — The recent bombings of U.S. embassies in East Africa and threats to U.S. interests abroad have led the State Department to update its "worldwide caution" for American travelers.

The State Department issued a similar warning hours after the Aug. 7 embassy explosions in Kenya and Tanzania and cited the potential for more threats. A department statement Sunday, which accompanied the revised worldwide caution, specifically warned "against all travel to Pakistan."

The revised worldwide caution went further than the original warning, referring to "subsequent threats." There was no elaboration on the "subsequent threats." The revised alert urged U.S. citizens traveling or residing abroad to exercise much greater than usual caution and review security practices.

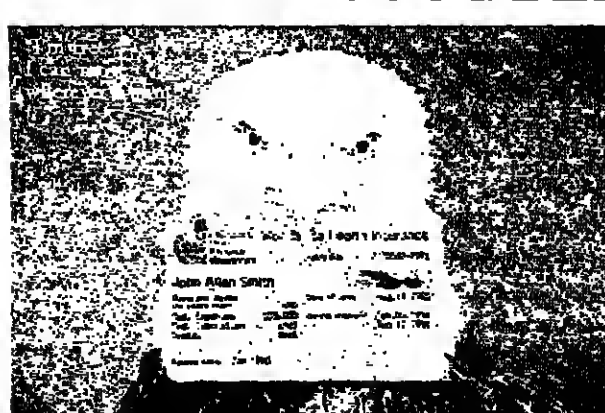
## BA to Use Yellow Card for 'Air Rage'

LONDON (APF) — British Airways PLC said it had introduced a yellow card system in an attempt to curb "air rage" — a term used to describe passengers who are drunk and abusive or break the airline's smoking ban.

A 400 percent jump in air rage incidents globally over the last three years led to the introduction of the yellow card, based on the sanction in soccer. It will be tried across the airline's network starting Sept. 1. The yellow card warns offenders they face arrest on landing unless they cease unacceptable behavior.

Additionally, the notices will warn recipients that they will be liable for diversion costs if their behavior forces the captain to divert the flight to the nearest airport.

Disneyland Paris has knocked Notre Dame out of first place as the most visited tourist attraction in the Paris area, French tourism officials said Monday. Last year, the theme park drew 12.6 million visitors, compared with 12 million who visited Notre Dame, the Paris Regional Office of Tourism said. (AP)



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Europe				North America				Asia			
City	High	Low	Temp	City	High	Low	Temp	City	High	Low	Temp
Amsterdam	20/10	10/0	15	Los Angeles	80/60	60/40	70	Bangkok	30/20	20/10	25
London	15/5	5/0	10	New York	70/50	50/30	60	Manila	25/15	15/5	20
Paris	18/8	8/0	13	Chicago	65/45	45/25	55	Seoul	20/10	10/0	15
Rome	22/12	12/0	17	San Francisco	60/40	40/20	50	Tokyo	25/15	15/5	20
Madrid	25/15	15/5	20	Houston	75/55	55/35	65	Beijing	20/10	10/0	15
Berlin	12/2	2/0	7	Phoenix	85/65	65/45	75	Shanghai	25/15	15/5	20
Moscow	10/0	0/0	5	San Diego	70/50	50/30	60	Guangzhou	28/18	18/8	23
Delhi	30/20	20/10	25	Portland	65/45	45/25	55	Hangzhou	22/12	12/2	17
Calcutta	35/25	25/15	30	Seattle	60/40	40/20	50	Nanjing	20/10	10/0	15
Jaipur	32/22	22/12	27	Denver	70/50	50/30	60	Wuhan	25/15	15/5	20
Chennai	30/20	20/10	25	Minneapolis	65/45	45/25	55	Chongqing	28/18	18/8	23
Kolkata	32/22	22/12	27	St. Louis	70/50	50/30	60	Yichang	25/15	15/5	20
Bombay	30/20	20/10	25	Kansas City	65/45	45/25	55	Xi'an	20/10	10/0	15
Coimbatore	28/18	18/8	23	Omaha	60/40	40/20	50	Lanzhou	15/5	5/0	10
Hyderabad	30/20	20/10	25	Lincoln	65/45	45/25	55	Urumqi	10/0	0/0	5
Chennai	30/20	20/10	25	Des Moines	60/40	40/20	50	Kashgar	5/0	-5/0	0
Madurai	28/18	18/8	23	Sioux Falls	55/35	35/15	45	Yokohama	25/15	15/5	20
Thiruvananthapuram	28/18	18/8	23	Rapid City	50/30	30/10	40	Osaka	25/15	15/5	20
				Wichita	60/40	40/20	50	Kobe	25/15	15/5	20
				Lincoln	65/45	45/25	55	Saitama	25/15	15/5	20
				Omaha	60/40	40/20	50	Chiba	25/15	15/5	20
				Des Moines	60/40	40/20	50	Miyagi	25/15	15/5	20
				Sioux Falls	55/35	35/15	45	Iwate	25/15	15/5	20
				Rapid City	50/30	30/10	40	Aomori	25/15	15/5	20
				Wichita	60/40	40/20	50	Yamanashi	25/15	15/5	20
				Lincoln	65/45	45/25	55	Nagano	25/15	15/5	20
				Omaha	60/40	40/20	50	Gifu	25/15	15/5	20
				Des Moines	60/40	40/20	50	Shizuoka	25/15	15/5	20
				Sioux Falls	55/35	35/15	45	Aichi	25/15	15/5	20
				Rapid City	50/30	30/10	40	Mie	25/15	15/5	20
				Wichita	60/40	40/20	50	Tokushima	25/15	15/5	20
				Lincoln	65/45	45/25	55	Shiga	25/15	15/5	20
				Omaha	60/40	40/20	50	Kyoto	25/15	15/5	20
				Des Moines	60/40	40/20	50	Osaka	25/15	15/5	20
				Sioux Falls	55/35	35/15	45	Kobe	25/15	15/5	20
				Rapid City	50/30	30/10	40	Saitama	25/15	15/5	20
				Wichita	60/40	40/20	50	Chiba	25/15	15/5	20
				Lincoln	65/45	45/25	55	Miyagi	25/15	15/5	20
				Omaha	60/40	40/20	50	Iwate	25/15	15/5	20
				Des Moines	60/40	40/20	50	Aomori	25/15	15/5	20
				Sioux Falls	55/35	35/15	45	Yamanashi	25/15	15/5	20
				Rapid City	50/30	30/10	40	Nagano	25/15	15/5	20
				Wichita	60/40	40/20	50	Gifu	25/15	15/5	20
				Lincoln	65/45	45/25	55	Shizuoka	25/15	15/5	20
				Omaha	60/40	40/20	50	Aichi	25/15	15/5	20



## THE AMERICAS

## Outside Political Circles, Dismay Abounds Over Surreal 'Immorality Tale'

By Richard L. Berke  
New York Times Service

WASHINGTON — When President Bill Clinton sat before a closed-circuit camera Monday in the Map Room of the White House to give testimony to a federal grand jury about his involvement with Monica Lewinsky, he ventured into not only the most politically and legally hazardous moment of his presidency, but also the most surreal.

"If some novelist had written this 12 years ago, no one would have accepted it," said David McCullough, who won the Pulitzer Prize in 1993 for his biography of Harry S. Truman. "It makes you feel dizzy" — and said.

The widespread feeling expressed in interviews outside political circles is one of disappointment, sadness and even anger that the Lewinsky case had reached a new low: A president

testifying about his sex life before a grand jury. "Why are we curious to expose this thing?" asked the playwright and actress Anna Devere Smith, who is reworking her latest play, "House Arrest," about politics and journalists, to reflect the Lewinsky scandal.

Ward Just, a former journalist who has written several novels on Washington political life, said he still could not fathom how a confluence of seemingly unrelated events and personalities culminated in the grand jury appearance.

"It's like looking at the heavens and you're seeing these planets up there and they're all spinning around," he said. "Weird people emerge and then they disappear in six months' time. Linda Tripp is going to be a trivia question, my guess, in a year and a half. The Lewinsky thing is a cartoon. As a morality tale it's not very interesting, even as an immorality tale, whichever it is."

Gary Ross, a Hollywood screenwriter who wrote the satire "Dave," about a philandering president replaced by a look-alike, groused: "I'm surprised and shocked that we're actually talking about this sort of thing in public as it relates to the president. Doesn't it shock and horrify you?"

Tom Carolan, who teaches American government and citizenship at St. Albans, an exclusive preparatory school in Washington whose alumni include Vice President Al Gore, said he was bracing for awkward moments when his students return next month, because "we've never gotten into the thick and dirty of the Lewinsky business."

"We'll have to handle it without wallowing in detail," Mr. Carolan said.

Bob Woodward, half of The Washington Post reporting team that helped bring down Richard Nixon in 1974, said the Lewinsky matter comes

nowhere close to the level of Watergate. While the 18-and-a-half-minute gap in the Nixon tapes became an enduring symbol of Watergate, Mr. Woodward noted, Ms. Lewinsky's navy blue dress may be emblematic of this scandal.

"Put the two scandals side by side and go to the question of motivation and the extent of activity, and there is a significant difference," he said.

Mr. Woodward said of the Lewinsky scandal: "It's like World War I. What triggered it? Was World War I about militarization? About German aspirations? Is this about a land deal? Is it about FBI files? Is it about the travel office. It's about all those things, and it's destabilized the presidency."

For all the concerns that the matter has diminished the presidency, former Senator John Danforth, Republican of Missouri, who helped navigate Clarence Thomas onto the Supreme

Court through the often seamy elements of his confirmation hearings, said nothing could be more important than Mr. Clinton's grand jury appearance.

"This is more important than policy," Mr. Danforth said. "If what comes out of this is, 'We don't really care, we don't want to be bothered,' then that is a terrible, terrible outcome. If what comes out is, 'This is wrong and we know it's wrong and we're willing to forgive it but we don't want it to happen again,' then I think we have vindicated ourselves as a people who believe in something."

Others are not so high-minded. For three years, Ed Morris, a government teacher at a Maryland high school, greeted his students after summer vacation by passing out a slip of paper with this conversation starter: "Is O.J. Guilty?" Now a new question awaits his students: "Is Bill Guilty?"

## Nature's Treasure Island

## But Watch for Poisonous Bugs and Trees

By Joby Warrick  
Washington Post Service

WASHINGTON — It is no accident that Navassa Island is one of the most isolated places in America. Few spots on earth could be more hostile to human habitation than this slab of jagged, broiling-hot limestone off the coast of Haiti.

Christopher Columbus's crew declared the island worthless upon visiting it briefly in 1504. The first explorers found no food or water but an abundance of scorpions, poisonous plants and razor-sharp rocks that sliced through boots and demolished boats.

For the next five centuries, Navassa remained almost completely deserted, except for a stint in the 1800s, when it was mined for bird guano, a valuable fertilizer. Until last week, not even the U.S. government, the titular owner, knew the island harbored extraordinary riches.

Their scale came to light last week when a team of researchers announced the results of the first scientific expedition there in more than a century. Combining every inch of the tiny dot of an island, the scientists counted more than 800 species, many of which are believed to exist nowhere else in the world.

As many as 250 species are believed to be entirely new to science, expedition leaders said. They reported being equally astonished by the condition of the island's coral reefs, which are so pristine they offer a glimpse of what the Caribbean may have looked like before Columbus.

"It was like looking into an aquarium," said Nina Young, a scientist with the Center for Marine Conservation who was one of the two leaders of the expedition. "Navassa may possess some of the most pristine and healthy coral reefs in the U.S. — and perhaps in the whole Caribbean."

The excitement centers on a desert island that is barely 2 square miles (5 square kilometers). The tip of a submerged mountain, Navassa is 40 miles (65 kilometers) west of Haiti and 200 miles from the mainland of the United States, which claimed Navassa in 1857 under a law that asserted U.S. sovereignty over any uninhabited island that contained guano.

Although it was "discovered" by Europeans before the North American mainland, Navassa was bypassed by colonists because of its lack of fresh water and its exceptionally harsh terrain. Steep rocky cliffs on all sides make Navassa a natural fortress, unassailable by wooden landing craft. The Interior Department, which is re-

sponsible for the island, forbids unauthorized visits because of the dangers posed by the rock-studded surf.

The inland areas are only slightly less treacherous. The 14 government, university and private scientists who conducted the two-week expedition had to pick their way across a landscape of jagged, cratered limestone made blisteringly hot by the Caribbean sun.

Besides cuts and scrapes from sharp rocks, the researchers had to watch for poisonous critters — "The island is very rich in scorpions," Michael Smith, the other leader of the expedition, noted dryly — and poison ivy-like plants that soon had most expedition members scratching.

But the many crevices and terraces also contained a diversity of life that scientists say is extraordinary for such a small and dry place. Besides feral dogs and goats left behind by miners and fishermen, scientists found native plants and animals that include unique species of lizards, wingless crickets and other creatures that evolved during eons of isolation.

"We've barely begun to sort through the scientific specimens," Mr. Smith said.

But there were also prominent absences. The rock iguana, an endemic species described by 19th-century visitors, appears to have vanished, possibly eaten into extinction by the 200 guano miners who stripped most of the phosphorus-rich topsoil off the lower terraces of the island a century ago.

Divers, who surveyed the island's reefs found a "spectacular" richness of creatures and hues, Ms. Young said. "You're struck by the vibrant colors," she said, including the deep lavenders and reds of sea sponges and fans in what is perhaps "the best diving" in U.S. waters.

But the scientists' enthusiasm was tempered by concerns about what may happen after word spreads of the pristine richness. Elsewhere in the Caribbean, reefs have been blighted by pollution and disease or damaged by careless divers and boats.

The Interior Department, which was a sponsor of the expedition, must now decide how best to protect the island against the inevitable assault. Options include turning Navassa into a wildlife refuge or "special management zone," said Bruce Babbitt, secretary of the interior, who vowed there would be no repeat of the "melancholy record of the coral reef."

"But," he added, "we also don't want to say, 'Here's a fabulous asset — but you, the owners, aren't allowed to see it.'"



A tourist in Rome on Monday, passing a group of nine nudes by the Italian sculptor Walter Pagni that are displayed near the city's "Mouth of Truth" attraction along with posters that express solidarity with Bill Clinton.

## ALLIES: Resentment Is Rising

Continued from Page 1

become the center of the universe," he complained Monday on French radio.

Most commentators seemed to believe that the saga will culminate with Mr. Clinton's eluding any evidence of perjury and thus staying in office. "I can hear the slow tearing now" as Mr. Clinton undoes Velcro tapes meant to catch him, Andrew Sullivan wrote in London's Sunday Times.

But there has been a chorus of dire warnings about how the White House could rebound dangerously. The French press revived its warnings, which emerged during the confrontation with Iraq last year, that Mr. Clinton might be tempted to engage in risky U.S. muscle-flexing. The theme was echoed in British and German media, with the suggested possible adversaries ranging from Fidel Castro's Cuba to drug lords in Asia.

In contrast, diplomats and government officials in Europe said that their leaders blamed Mr. Clinton for just the opposite: Creating vulnerabilities that exposed the presidency to his domestic political enemies and crippled U.S. ability to provide attentive, sustained leadership in foreign policy.

In worrying aloud, these officials pointed out that their complaints underscored their own governments' feeling of dependence on U.S. leadership. But as a German official said, "The president likes reminding everybody that the United States is the indispensable nation, so what do we do when that country is there too late or isn't there at all?"

None of these concerns, which underscore European leaders' need for Washington's help, have been aired publicly. Instead, the media concentrate on dangerous fallout from the Clinton saga such as the risk of a rising tide of press snooping into politicians' private lives — a concern firmly

## Extolling 'Love in Politics,' Ex-French Minister Defends Clinton

By Charles Trueheart  
Washington Post Service

PARIS — Disturbed by the "inquisition" into President Bill Clinton's private life, a prominent former French culture minister, Jack Lang, has broached the idea of an international campaign of support for Mr. Clinton among intellectuals and cultural figures.

I want to show a kind of solidarity, not just with Bill Clinton, but with the American people, who don't like these tactics any more than I do," Mr. Lang said in an interview describing a letter-writing campaign he likened to the heavy expressions of support Mr. Clinton has drawn from the entertainment community this month.

"I'll get a lot of support for this," Mr. Lang said. "Beaucoup, beaucoup, beaucoup."

Mr. Lang, a Socialist, was the outspokenly nationalist French culture czar under President Francois Mitterrand, and is today head of the Socialist-controlled National Assembly's foreign affairs committee. He said he was leaving Tuesday to campaign with other intellectuals on behalf of the election of Gerhard Schroeder's Social Democratic Party in Germany, where he said he would bring up his idea.

Citing Alexis de Tocqueville and Montesquieu, Mr. Lang lamented what he called the "infernal unstoppable machine" of Kenneth Starr's "unchecked inquisition" to "destabilize President Clinton and the American presidency itself."

Mr. Lang illustrates as well as anyone the often-caricatured French indifference to the private lives of public

figures, or anyone else. Public reaction to the Starr inquiry in France, as around the world, has been one of disbelief. Mr. Lang offered an especially positive spin on the kind of behavior associated with the Monica Lewinsky case.

"I know a lot of people in public life and the business world who get to know each other in their work," Mr. Lang said. "They become friends for a few months, sometimes best friends for life."

"Love has its place everywhere, even in politics, so long as both of the parties do their jobs. Happiness can make you work better. It can be the road to efficiency," Mr. Lang said. "Bill Clinton's appetite for life is not a defect, it's a good sign," he said. "People who enjoy life reassure me more than those who put on airs and give us sermons about morality."

For that reason, "We don't want a lame duck president," The Independent newspaper of Britain said Monday. The implication of that editorial was that Mr. Clinton may have already lost the degree of presidential authority necessary in an era when the United States is expected to operate as the sole superpower.

Even in crises in which Washington forces showdowns, as it did with Iraq last year, these sources noted, often the White House has backed away later, as it currently seems to be doing with Saddam Hussein.

In places as different as Iraq, Kosovo, India and Israel, the Clinton administration's reactions have often seemed to deliver too little too late, according to U.S. diplomats and foreign officials in European capitals. For example, the White House's reluctance to confront the Pentagon helps to explain why Washington shunned intervening in eastern Zaire last year and in effect let rule in the country pass to Laurent Kabila.

On the death of basketball player Hank Gathers: "Death should stay away from young men's games. Death belongs in musty hospital rooms, sickbeds. It should not impinge its terrible presence on the celebrations of youth, reap its frightful harvest in fields where cheers ring and bands play and banners wave."

On Ben Hogan: "The only thing that would give him away were the eyes. Gray-blue, they had a piercing quality. They were the eyes of a circling bird

## CLINTON: Grand Jury Hears President

Continued from Page 1

a state of surreal suspension just how the day's events would affect Mr. Clinton and his family, his party, his presidency and his legacy.

It might be days or weeks before it becomes clear whether Mr. Clinton offered a convincing rebuttal, with political and personal embarrassment or a more serious threat of impeachment.

Several prominent congressmen have said that a full and frank admission by Mr. Clinton of any wrongdoing, short of serious criminal behavior, and a public apology would lessen their appetite for impeachment proceedings.

White House officials have contacted Democratic congressional leaders in recent days, urging them quickly to declare the crisis over after the testimony.

It was less clear that such an admission would slow Mr. Starr's investigation. According to The Washington Post, prosecutors believe they have significant evidence of witness tampering. They are working to complete a report of possible impeachable offenses they may submit to Congress within the next few weeks.

Uncertainty over Mr. Clinton's likely testimony continued even as he began the session Monday. News reports Sunday had suggested that Mr. Clinton was prepared to alter his earlier comments on the Lewinsky matter. But the president's chief private attorney, David Kendall, sharply dismissed those reports as "groundless speculation."

"The truth is the truth. Period," Mr. Kendall said in a brief statement. "And that's how the president will testify."

The terms of Mr. Clinton's testimony, agreed to by the president only after Mr. Starr had subpoenaed him, were carefully negotiated by the two sides. The president's televised image, as seen by grand jurors, would appear before a plain backdrop revealing none of the trappings of the office of the presidency.

Mr. Clinton, in an exception to normal

grand-jury practice, was also permitted to be joined in the Map Room by his private attorneys, Mr. Kendall, Nicole Seligman and Mickey Kantor, the former commerce secretary who is also an attorney. The president's chief White House counsel, Charles Ruff, was also present.

The president had spent hours Sunday with his legal team preparing for the appearance Monday, and he met with them again Monday morning. His wife, Hillary Rodham Clinton, joined in part of the preparations.

Mrs. Clinton has steadfastly supported her husband since the Lewinsky allegations surfaced in January.

She appeared, smiling, at his side Sunday as they emerged from a church service. Her unswerving support through an obviously difficult time has boosted her popularity among Americans, opinion polls show, and persuaded many that the Lewinsky matter should be dropped.

The Clintons, including their daughter, Chelsea, planned to leave Tuesday for vacation on the Massachusetts resort island of Martha's Vineyard, Mr. McCurry said.

The Reverend Jesse Jackson, the civil rights leader and Clinton friend, visited with the Clintons on Sunday and prayed with the president. On Monday, he provided a clue to the president's frame of mind.

"Face it," Mr. Jackson said on CNN, "he is embarrassed by whatever happened — however one defines in appropriate, and Hillary has had to face the humiliation of it all. But then, she is mature and they are in love and their marriage will survive this."

Mr. Starr and his top deputies have had months to lay out a detailed line of questioning. They were expected to confront the president with apparent contradictions between his denials, both in public and in sworn testimony, of a sexual relationship and the testimony from Ms. Lewinsky, plus circumstantial evidence offered by other witnesses.

## POLITICAL NOTES

## Governor of Florida Wields His Veto Pen

TALLAHASSEE, Florida — In his last year in office, Governor Lawton Chiles has been busy saying no. In a flurry of vetoes this summer, after the legislative session, Mr. Chiles, a Democrat, struck down bills passed by the Republican majority that would have required parental notification of a teen-

ager's plans for abortion, made it more difficult for consumers to sue businesses and allowed drivers to purchase special license plates with the message "Choose Life."

The 17 vetoes this year were not a record for Mr. Chiles. In 1995 he vetoed 28 bills. But they have come at a critical juncture, only months from an election in which Republicans, who control both houses of the legislature, are poised to win the governorship and control state government for the first time this century.

Jeb Bush, the Republican nominee, is considered to have a commanding lead over his Democratic opponent, Lieutenant Governor Kenneth MacKay.

In that context, Mr. Chiles, who has sparred with a Republican legislative majority for the last two years and is barred by law from seeking a third term, is highlighting the conservative policies that await if voters throw the Democrats out of the governor's mansion.

In an interview at his office here, Mr. Chiles said: "The Republicans tend to be dominated right now by the Christian right, the moral right, and they tend to force the agenda for those Republicans. Just look at the things I vetoed."

Some items, like bills that would have allowed school prayer and banned late-term abortions, were actually popular. Even so, Mr. Chiles's approval rating is 65 percent. (NYT)

## Quote/Unquote

The Reverend Jesse Jackson, the preacher and civil rights leader, after a conversation and prayer at the White House with President Bill Clinton on the eve of his appearance before the grand jury: "I mean face it, he is embarrassed by whatever happened — however one defines inappropriate — and Hillary has had to face the humiliation of it all. But then, she is mature and they are in love, and their marriage will survive this." (Reuters)

## Away From Politics

• The number of Americans on criminal probation or parole hit a record 3.9 million at the end of 1997 as the growth rate in that group remained about average, the Justice Department reported. (AP)

• A man who had been in a fight at a pool hall in Milwaukee drove a car into a crowd of people in front of the establishment early Sunday, injuring at least 26 people. The driver fled on foot after the car struck a light pole. (AP)

• Twenty-nine flights were suspended and 1,700 people were evacuated when an X-ray machine detected what appeared to be a gun in a man's luggage at Los Angeles International Airport. The weapon later was found to be a gun-shaped cigarette lighter. (AP)

• Federal prosecutors believe a juror who served in the 1996 trial of two reputed cocaine kingpins in Miami received \$500,000 to secure at least a hung jury. A man who bought a Cadillac and a Rolex after serving on the jury in the trial of Salvador (Sal) Magluta and Augusto (Willie) Falcon is under investigation for allegedly accepting a bribe to cast not-guilty votes. The Miami Herald reported Sunday, citing law enforcement sources. (AP)

## Jim Murray, Pulitzer-Winning Sports Writer, Dies

LOS ANGELES — Jim Murray, the Los Angeles Times sports writer who won a Pulitzer Prize and a legion of fans for his witty, sometimes acerbic columns about the games and the legends that made sports history, died Sunday. He was 78.

Mr. Murray died of cardiac arrest at his home in Brentwood. "He didn't talk about himself," said Bill Dwyre, the Times sports editor. "He used to sit at the Rose Bowl and pray somebody would run the wrong way so he would have a story."

"He had a great self-effacing sense of humor. Never in 18 years did I hear him seek praise about anything he wrote."

Mr. Murray joined the Times in 1961. When he won the Pulitzer for commentary in 1990, he was only the fourth

sports columnist to win that prize, joining Red Smith, Arthur Daley and Dave Anderson, all of The New York Times.

"All the years I was in the business, I always thought Pulitzers were for overturning a government or exposing a scandal in the stock market," Mr. Murray said at the time. "I thought Walter Lippmann got Pulitzers, not us guys."

With a chuckle, he added, "Maybe I've cost a manager a job here or there; maybe that qualifies."

Mr. Anderson said Mr. Murray "not only was a great sports writer, he was one of the great American writers."

Mr. Murray was inducted into the Baseball Hall of Fame in 1987 for "meritorious contributions to baseball writing." He also won The Associated Press Sports Editors award for best column writing in 1984, and the APSE Red

Smith Award for career achievement in sports writing.

Mr. Murray's ability to portray all aspects of sports — from the humorous to the tragic — earned him millions of readers for his nationally syndicated column.

Some examples: On the death of basketball player Hank Gathers: "Death should stay away from young men's games. Death belongs in musty hospital rooms, sickbeds. It should not impinge its terrible presence on the celebrations of youth, reap its frightful harvest in fields where cheers ring and bands play and banners wave."

On Ben Hogan: "The only thing that would give him away were the eyes. Gray-blue, they had a piercing quality. They were the eyes of a circling bird

of prey: fearless, fierce, the pupil no more than a dot in their imperious center. They were not the eyes of a loser."

On Bill Shoemaker: "He won more races than any rider who ever lived and he did it with a velvet touch and graceful pace that made every race a ballet, not a charge. Shoemaker rode a horse the way DiMaggio caught a fly ball, or Sinatra sang a ballad — with the effortless ease and grace of a guy who was born to do what he was doing."

Mr. Murray began his newspaper career as a campus correspondent for the Hartford Times while attending Trinity College in the early 1940s, and later became a police reporter. He joined Time magazine in 1948 and became the West Coast editor for Sports Illustrated, which he helped found, in 1953.



## INTERNATIONAL

## Blast Suspect Questioned By FBI and Kenya Police

The Associated Press

NAIROBI — FBI agents and Kenyan police questioned a suspect in Nairobi on Monday, hoping to find some trail to the terrorists who left 257 people dead and thousands injured in the bombings of two U.S. embassies in East Africa.

Although the FBI confirmed that it was questioning Mohammed Sadiq Odeh, the agency said he had not confessed or implicated anyone else in the Aug. 7 bombings of the embassies in Kenya and Tanzania.

Mr. Odeh, who was arrested that day at the airport in Karachi, Pakistan, after flying there from Nairobi, was returned to the Kenyan capital Friday.

"Mr. Sadiq Odeh has not admitted any responsibility in the bombings in Nairobi or Dar es Salaam, nor has he implicated anyone else in those events," the FBI and Kenyan police said in a joint statement.

In Pakistan on Monday, most U.S. Embassy personnel and their families were leaving and the other 6,700 Americans living in the country were urged to join them. The State Department updated its "worldwide caution" for Americans, warning specifically against all travel to Pakistan.

Earlier reports from Pakistan indicated that Mr. Odeh had confessed to some involvement in the bombings.

Meanwhile, a Kenyan newspaper reported Monday that FBI agents had flown another suspect back to Kenya following his arrest in the United Arab Emirates.

The East African newspaper, citing airport sources, said the suspect is a Pakistani national who was arrested in Dubai and flown Friday to Nairobi on a U.S. military plane. The report did not give the suspect's name or specify his alleged role in the bombing.

The U.S. Embassy in Nairobi and Kenyan police both declined to comment on that report.

Meanwhile, Secretary of State Madeleine Albright left Washington for a one-day trip to Kenya and Tanzania to lend support to embassy workers and vow solidarity with the grief-stricken nations.

At least 5,500 people, mostly Kenyans, were injured in the bombings. Before leaving, Mrs. Albright said Washington was committed to "doing all we can to ease their suffering and help them start anew."

### Exodus From Pakistan

Pamela Constable and Kamran Khan of The Washington Post reported from Islamabad, Pakistan.

More than 70 American diplomats and their families hurriedly prepared Monday to leave Islamabad on a chartered plane for Washington.

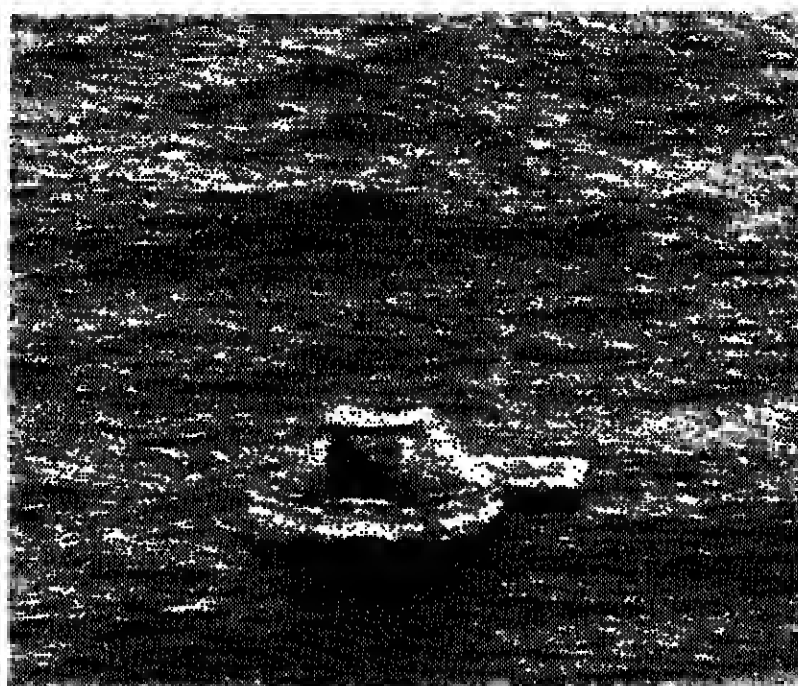
Diplomats here refused to call the measure an evacuation, noting that about 50 essential diplomats, including Ambassador Thomas Simons Jr. and consular officials, will remain. But they said that an atmosphere of "increased threat" after the bombings, as well as the arrest in Pakistan of a man possibly linked to them, had made the drastic security measures necessary.

"You can't not be nervous, but foreign service officers expect it and are prepared for it," said a diplomat who was hastily cleaning out his office after only a few weeks on the job. "But we're leaving our homes locked and stocked, and we will resume our normal lives here when conditions permit."

The U.S. Embassy here is already heavily fortified. The vast compound, situated at the end of a secluded suburban road, is surrounded by barricades and high walls topped with rolls of barbed wire. Most employees live in the adjacent American "colony," which is also walled and guarded.

The Clinton administration has also closed all U.S. information centers in Pakistan until further notice and urged all Americans to leave the country or avoid traveling here, citing what the State Department calls "a very serious threat" to U.S. facilities and citizens.

There was speculation among Pakistani observers Sunday that the hasty diplomatic exodus was linked to covert American plans to attack the fortified Afghanistan hideaway of Osama bin Laden, a rogue Saudi financier and radical Islamic fundamentalist who officials suspect orchestrated the two bombings in East Africa.



Steve Fossett floating in the Coral Sea in a raft dropped to him Monday.

## Yacht Rescues Balloonist

Plunge to Coral Sea Ends Effort to Circle Globe

The Associated Press

SYDNEY — Steve Fossett was rescued by a yacht Monday, one day after the balloon he was trying to fly around the world crashed into the Coral Sea.

Mr. Fossett told an Australian reporter that his balloon had been struck by hail and lightning in a fierce storm, and that it fell nearly 9,000 meters (30,000 feet) into the sea.

Mr. Fossett was picked up 800 kilometers (500 miles) off the east coast of Australia by a yacht after completing two-thirds of his planned trip, according to Judy Jasper, a spokeswoman at his flight operation headquarters in St. Louis, Missouri. He was to be transferred to a New Zealand Navy vessel.

"The rescue was very straightforward," said Brian Hill, a spokeswoman for the Australian Maritime Safety Authority. "Mr. Fossett is in good health."

Mr. Fossett's balloon was heading toward its final destination in Argentina when contact was lost, said Alan Blount, director of mission control for the journey. The balloon, Solo Spirit, stopped reporting its position on Sunday, and its emergency locator beacon sounded twice.

Darren Curtis, a reporter for the TV 7 network in Australia who was aboard an Australian rescue plane, talked to Mr. Fossett, a Chicago millionaire, via radio. "He said he was caught in a giant thunderstorm with hail and lightning which actually ruptured his balloon. He fell 29,000 feet into the ocean," Mr. Curtis said. "He says when he hit the ocean, his balloon capsule caught fire and he had to evacuate into a tiny life raft."

A French military plane dropped a larger raft to Mr. Fossett on Monday morning, after reaching the downed balloon near the Chesterfield Islands.

## KOREA: U.S. Officials Detect Underground Nuclear Complex

Continued from Page 1

bomb-grade plutonium. The accord explicitly bars that activity.

But spy satellites have extensively photographed a huge work site 40 kilometers (25 miles) northeast of Yonghyon, the nuclear center where, until the 1994 accord, the North is believed to have created enough plutonium to build six or more bombs. Thousands of North Korean workers are swarming around the new site, burrowing into the mountainside, American officials said.

Other intelligence, which the officials would not describe, led the administration in recent weeks to warn important members of Congress and the South Korean government in classified briefings that they believed that the North intended to build a new reactor and reprocessing center under the mountain. Intelligence estimates of how long it would take to complete the project have ranged from two to six years, depending in part on how much outside help is received.

South Korean officials have played down the finding, officials said, because they fear undermining President Kim Dae Jung's "sunshine policy" toward North Korea, an effort to reopen aid and dialogue with the Stalinist government in Pyongyang.

When Mr. Kim went to Washington in the spring he urged President Bill Clinton to drop sanctions against the North

that date from the end of the Korean War. But the new finding makes it far less likely that the United States will ease up on the North.

"It's a very, very serious development," said one American official, who like the others insisted on anonymity, "to say nothing of incredibly stupid, because it endangers both the nuclear accord and humanitarian aid."

Other officials said they were clearly concerned that Congress was now less likely than ever to finance the fuel oil. If Congress refused to fulfill the American commitment, the officials fear, that would, in turn, give the North an excuse to abandon the nuclear agreement officially, and perhaps, to expel inspectors from the International Atomic Energy Agency who are at Yonghyon. The North has prohibited inspectors from examining other sites outside Yonghyon.

At a meeting this week between North Korean officials and the American special envoy for Korean nuclear issues, Charles Kamman, the United States is expected to demand that the North stop all work at the new site.

As always in matters involving North Korea, it is virtually impossible to divine the country's real intentions.

It is possible, officials say, that the North Korean leader, Kim Jong Il, is trying to rebuild a nuclear program that the West stopped in 1994. Mr. Kim may also be hoping to bolster his standing

with the North Korean military. This may be a particularly critical time to placate the right wing, because Mr. Kim is expected, next month, to be given all of the titles held by his father, Kim Il Sung, North Korea's founder.

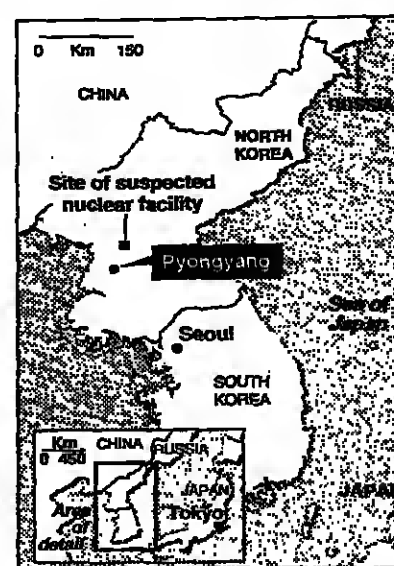
The elder Mr. Kim died in July 1994, just weeks after having defused the confrontation with the United States by telling former President Jimmy Carter that he was willing to trade away the nuclear program in return for Western aid.

Another possibility is that Kim Jong Il is intending to trade away the new nuclear complex the way his father traded away the last one — if he can extract a high enough price. American officials note that building a nuclear reactor underground is an enormously difficult technical task for any country, much less one that is starving as a result of economic collapse, drought and floods.

"Is this a nuclear chip? A hedge, a bargaining chip?" asked Joseph Nye, dean of the Kennedy School of Government at Harvard University. "It's hard to know."

Mr. Nye worked extensively on the North Korean nuclear issue at the CIA and as a top Pentagon official in the first term of the Clinton administration.

He noted that in 1993, as the United States was confronting North Korea over its efforts to reprocess nuclear waste into plutonium, the intelligence community



Site of suspected nuclear facility.

was deeply divided on the question of whether the North wanted a bomb or was simply playing for aid. "The majority said the North would never give up on the bomb, but a deal was struck," he said.

But it is not necessarily certain that the country would follow the same pattern today, he and other experts warn. In the four years since the agreement was reached, the North has grown far weaker, both economically and militarily.

"The danger is that the weaker they become, the less willing they are to bargain," he said.

## BRIEFLY

### Israeli Cabinet Clash

JERUSALEM — Defense Minister Yitzhak Mordechai touched off debate Monday by saying Israel might be willing to return much of the Golan Heights to Syria in exchange for security measures.

"It's simple," he was quoted as saying in an interview with the German news magazine Focus. "The more security we receive, the more land we can give back."

The statement drew a storm of protest from cabinet ministers. Prime Minister Benjamin Netanyahu said that the government's policy had not changed, and Mr. Mordechai said he had been misquoted.

But in an interview on Israel Radio, Uzi Arad, a policy adviser of Mr. Netanyahu, said that such an equation was "only logical" and that he had raised the possibility during a recent conference in Texas attended by Syrian representatives.

Mr. Arad gave no specifics, however, and gave no indication that the current government would be willing to meet Syria's demands for a withdrawal from all of the Golan. (AP)

### Colombian Crossfire

BOGOTA — In another setback for the army, dozens of soldiers were killed and captured in weekend clashes with leftist rebels in northwestern Colombia.

General Martin Carrero, commander of the brigade that was involved in the combat, said at least 60 soldiers and rebels died and 19 soldiers were wounded in fighting that began Friday in a remote part of Choco State. (AP)

### Mexico's Open Doors

MEXICO CITY — Mexico will not dissuade citizens seeking to cross illegally into the United States "to better their living conditions," a government official said.

Fernando Solis Camara, head of Population and Migration Services, was quoted Sunday by local newspapers as saying he was worried about a rise in deaths and injuries to emigrants.

Signs warn of hazards and rescue teams patrol the border area, he said, but rescuers do not try to persuade people to turn back.

Seven bodies were found Thursday near El Centro, California, bringing the number of heat-related deaths among would-be illegal immigrants this year to 81. (AP)

## IMPACT: Yeltsin's Ruble Gamble Is High-Risk, High-Gain for the Country and for Him

Continued from Page 1

in, it wasn't," he said. "Yeltsin was trying to stave off Indonesia, riots and popular unrest. This was a line in the sand, to give them enough room to build up a defense, to make it not Indonesia."

Among Russian analysts there was a broad consensus that Mr. Yeltsin's move carries many unpredictable risks, both politically and for the Russian economy.

One of the major risks could be to further scare away badly needed foreign investment. Among the actions announced Monday were postponements of the overseas obligations of banks and of the state on its bonds. If foreign investors feel cheated, it may be years before they decide to lend in or to Russia again, or they may demand punishingly high interest rates. Either way, Russia loses.

The downside of devaluation could also be a resumption of hyperinflation

and intensified social unrest over the inevitable chaos and uncertainty. While worker strikes have quickened this summer, Russians have also displayed enormous patience and reserve in the face of upheaval in recent years.

The devaluation will also lead to higher prices for imported goods, which could be politically unsettling to many people. Moscow, a relatively prosperous megalopolis, and many hard-hit Russian provinces are dependent on imports for more than half of their food, and the immediate impact of devaluation may be higher prices for everyday items. Alexander Osol, director of the Public Opinion Foundation, a pollster who worked for Mr. Yeltsin's 1996 re-election campaign, said the "most negative reaction will be in large cities, Moscow first of all."

He said the life of people in Russia depends on the exchange rate "only

little, but it depends on prices."

After the collapse of the Soviet Union in December 1991, Mr. Yeltsin's reformers made price liberalization — doing away with rigid Soviet-era controls — their first move. For several years, the country was caught in a spiral of hyperinflation that wiped out the savings of millions of people.

Three years ago, the Central Bank began to control the currency by setting a rigid "corridor" every six months for the ruble's exchange rate. The currency was allowed to fluctuate only between the limits set by the bank, and it generally did so. Inflation dramatically subsided, but the consequences were also painful, with factories and workers caught in a web of nonpayments, and the real economy wrung out by a slump equivalent to the Great Depression of the 1930s.

The Russian economy appeared to be on the verge of its first growth last year,

attracting a surge of investment in the nascent stock market. But then the Asian financial crisis in October dampened investor enthusiasm for emerging markets, including Russia, and the decline in world oil prices was a major setback for one of Russia's chief exports. Adding to anxiety about Russia in global markets was its chronically unbalanced public finances.

As investors fled, pressures began to mount for devaluation. The final straw came last week when the banks were plunged into a liquidity crisis, unable to meet their dollar obligations. "If they hadn't moved, the banking system was going to collapse around their ears," a Western diplomat said.

Mr. Yeltsin's decision will create both winners and losers. Among those who stand to gain financially from a devalued ruble are exporters, especially those in the oil business, who sell their products abroad for dollars but pay in devalued rubles for goods and labor at home.

Another group of winners may be the leading banks, which are largely controlled by the oligarchy. They were heading over the cliff last week. The Central Bank had to rush \$100 million to SBS-Agro, the sprawling retail bank headed by Alexander Smolensky, who was among the group who bankrolled Mr. Yeltsin's re-election campaign two years ago. Now, a dozen of the biggest banks are forming a "pool" that the government will use to pump liquidity into the system — credits that will allow them to survive for a while longer.

In politics, the devaluation may well help clarify the contest to be Mr. Yeltsin's successor in the presidential election two years from now, if he does not run again. Should the devaluation unleash still more chaos and popular resentment, the economic reformers and liberals of the Yeltsin era, who are widely despised among the grass roots, will be further discredited.

## RUBLE: Moscow Allows Currency to Fall and Sets Moratorium on Foreign Debt

Continued from Page 1

Russian officials to find appropriate ways to support Russia's economic recovery. He made no mention in the statement of whether the United States would be prepared to support further Western aid to Russia.]

Michel Camdessus, managing director of the IMF, stressed the importance of Russia's commitment to stick to promises made last month when the IMF pledged a new package of \$22.6 billion in credits and loans.

"It will be especially important for the Russian authorities to take all necessary steps to strengthen the fiscal position," Mr. Camdessus said in a statement released Monday. "Prompt passage of fiscal measure in the forthcoming session of the Duma will be essential to this end. The authorities

should also spare no effort to find a cooperative solution to their debt problems, in close cooperation with Russia's creditors."

Several Western economists noted that unless accompanied by tough new controls imposed on some of Russia's free-wheeling banks, the moratorium on bank-held debts could be interpreted abroad as a bailout for those politically well connected banks that, until now, have thrived on risky credit strategies.

"The danger is that they could not use this opportunity to solve these problems," said Al Breach, chief economist at the Russian-European Center for Economic Research. "If they don't, the whole thing smacks of rule by oligarchy."

The measures announced Monday also include a restructuring of Russia's domestic debt — in particular bonds

known as GKO's due to be redeemed before Dec. 31, 1999. Details of those conversions will be released Wednesday, but analysts were anticipating a variety of options, which could include a schedule of staggered payments stretched over several years.

For foreign investors, the bitter pill is the 90-day moratorium on foreign debt. Most of the debt is held by major Russian banks, which by late last week, were already defaulting on payments.

"The whole thing leaves Russia's creditors in a very bad position, with a very bad taste in their mouth," Mr. Blitzer said.

"If you could run the film backwards, if they had made a few changes back in May, none of this would have had to happen. Now three bad things have happened, which even the Russians didn't want."

### Soros Applauds Moves

George Soros on Monday welcomed the decisions of the Russian government, Reuters reported from Moscow.

"The Russian government has acted in a timely and brave manner to stop the collapse of the financial system," Mr. Soros told radio Ekho-Moskvy in an interview.

Last week, Mr. Soros called for a 15 percent to 20 percent devaluation of the Russian currency.

Mr. Soros said the government's steps had acted to limit the loss of reserves from the central bank, which had been trying to support the currency by direct intervention. But he said the new measures were not the end of the story for the beleaguered country.

"Russia remains as before in a very dangerous situation," he said.

## ULSTER: British Police Arrest and Question Six Suspects Over Terrorist Bomb Attack in Omagh That Killed 28

Continued from Page 1

officials in Belfast and Dublin say there is a connection.

The identity of the Real IRA leader has been a matter of widening public concern since the attack. Several British and Irish newspapers have identified him as a middle-aged man who lives near Dundalk, in the Irish Republic near the border with Northern Ireland.

But on Monday, two British newspapers, The Daily Express and The Daily Telegraph, named him as Michael McKevitt, the former weapons quartermaster for the IRA. The papers published a photograph of him on their front pages. The Telegraph reported that Mr. McKevitt lives with one of the leaders of the 32-County Sovereignty Committee, Bernadette Sands. Ms. Sands's brother, Bobby, became an IRA hero and self-made martyr in 1981 when he starved himself to death in a British prison.

The Telegraph said, "McKevitt was formerly in control of all IRA arms dumps and the movement of arms, ammunition and explosives across the bor-

der to Northern Ireland." When he resigned last October from the IRA, the newspaper said, "he gave an undertaking not to use anything in the IRA arsenal for his own ends." Ms. Sands, who was highly visible and audible in the campaign against the new peace agreement in May, has issued no statements in recent weeks.

In Omagh Monday afternoon, several hundred people milled around and talked quietly near the police barrier blocking the way to Market Street, where the bomb exploded. British troops in full combat uniform, holding automatic rifles at the ready, guarded the street. A white-haired Catholic man, looked at the hundreds of bouquets placed on the sidewalk to express the sympathy of this town of 27,000 people, about 70 percent of them Catholic. Both Catholics and Protestants were killed in the attack.

"You wonder why it should happen," he said almost in a whisper.

A few yards away a Protestant man, who declined to give his name, saying he feared terrorist reprisal, said the attack

proved that "all this nonsense about peace" was futile. He said the death penalty should be restored for terrorists, as well as preventive detention without trial of suspects.

His friend, Eileen Goldsmith, who described herself as "a good Protestant," said, "Everybody worked together, went out together. Now this is the worst thing that ever happened."

Taped on a wall above the bouquets was a handwritten poem, apparently by the wife of a British soldier. "Now I know why my husband is here," it said. "I want to gather up my family and run from your town... pray for the strength to stay."

### Adams Cautions on Detentions

Gerry Adams, the Sinn Fein leader, said Monday that Northern Ireland's people "are shattered" by the bombing in Omagh, but cautioned Britain against mass detentions of people with links to the group believed to be behind the blast, Reuters reported from Washington.

"While the government agencies may have some political intelligence, I think that the onus is on the group that was

responsible to acknowledge their responsibility, to reflect on the enormity of what they've done and to stop," said Mr. Adams in an interview on U.S. network ABC's "Good Morning America."

Mr. Adams cautioned that the government should not resort to rounding up those with suspected links and sympathies to the splinter group.

He said that he did not think anyone really believed "that internment or that type of draconian measure will work."

Mr. Adams, who met Sunday with the families of some of the bomb's victims, said he had called for an emergency meeting of Ulster's political leaders.

He said, "From Sinn Fein's point of view dialogue — honest dialogue, inclusive dialogue — is the only way to end conflict. I want to see this bombing at Omagh made a thing of the past."

Mr. Adams said he spoke Sunday with Mr. Blair and Mr. Aherne.

"What we need to do is to keep ourselves very, very focused on the prize of a just and democratic peace settlement and not be deflected from it by this atrocity," he said.



Francis Mackey, an Omagh councilor, said his son, Shane, was one of those arrested by police in connection with the car-bomb attack.



Caroline Gibson grieving after laying flowers Monday at the site where the bomb killed her sister.



## EUROPE

# Doctor in Kosovo Tries To Cope With Carnage

## Serbs Deny Witnesses' Accounts of Bombing In Attack That Killed 2 and Wounded Dozens

By Mike O'Connor  
New York Times Service

KOTRADIC, Yugoslavia — "I am Dr. Mustaf Shala," said a shaken, unshaven man in a dirty shirt. "The wounded people are in here. Come quickly — they are all in serious condition."

Behind him in a small house, on the floor, with the faint sunlight barely illuminating them, were a very old man lying against a large sack of onions and two women, one eight months pregnant, on mats.

"It was the airplanes," Dr. Shala said. "They bombed us with airplanes until we left Lodja."

The pregnant woman, 23, stared straight ahead, her mouth silently opening and closing as if she were gulping for air. A bandage covered her head.

"I think it was a bomb," the doctor said. "I took out what I could, but we don't have anything like an X-ray. We don't even have medicine, except a little for pain. I cried, because that was all I could do."

Dr. Shala continued: "The airplanes came at five minutes before 6 yesterday morning. I was in the clinic. I sleep there because the artillery attacks have come at night for weeks and there are always wounded."

"I saw two planes coming in from the direction of the mountains," he said. "Then two helicopters began to circle."

Other people from Lodja, who had walked to this village carrying the wounded and some food, were gathered around the doctor and nodding their heads in agreement.

"The helicopters went away a little, the planes turned and came back very low and fast," the doctor went on. "Suddenly, there was a noise like we had never heard before, and the whole village was shaking."

A government spokesman, Colonel Borzidar Filic of the police, said no aircraft of any kind were used in the attack Saturday on Lodja.

There were about 1,500 people in Lodja at the time of the attack, villagers said. Dr. Shala said that two civilians were killed outright and estimated that he treated another 25 civilians, and two rebels, for injuries. The elderly man and the second woman were inside a house when it was bombed, and both suffered serious back injuries, the doctor said.

"She is paralyzed in the left leg, and he is in a coma," he said.

"But she is one I am very worried about," he said, walking over to the pregnant woman. "There is very little time to get her help."

The village of Lodja — the latest to become a target of Serbian forces in Kosovo Province — abandoned after the attack and now occupied by government forces, could be located 30 kilometers (20 miles) away by the black smoke pouring from its buildings. The pattern for government forces during the four-week offensive has been to shell civilian towns and villages, force the residents into flight and then loot and burn the homes. The practice means that many refugees have no place to return.

The villagers here in Kotradic, who have taken in the refugees from Lodja, had a telephone number for the international Red Cross office in Pristina, the provincial capital, and had been trying to call for help. But they could not get through for most of the day because the number was changed three weeks ago.

When they reached the Red Cross, they said, the villagers were told this place was too dangerous and Red Cross rules would not permit sending help. A UN refugee relief team was in the village, learned about the wounded from Lodja and wanted to take the pregnant woman out because the doctor feared she would die without medical treatment. But the team said UN rules would not permit them to exceed their mandate and transport the wounded.

By late Sunday, the woman had been taken to a Pristina hospital, three hours away, not by relief agencies, but by a reporter. Doctors at the hospital said her recovery was uncertain.

### NATO Exercise in Albania

As a dozen jet fighters soared overhead, about 1,700 troops from the United States and other countries began a five-day military exercise Monday in the Albanian mountains to show NATO's readiness to contain the crisis in neighboring Kosovo Province, The Associated Press reported from Tirana, Albania.

Troops from 14 nations will conduct training for parachute supply drops, vehicle and foot patrols, marksmanship and other nonoffensive drills. The participants include 11 NATO members plus Russia, Albania and Lithuania.

## BRIEFLY



INVASION MEMORY — Prime Minister Milos Zeman laying flowers Monday as Czechs remember the Soviet invasion of 1968.

## Confidence Vote Set In Czech Parliament

PRAGUE — The one-party minority government of Social Democrats is set to face a vote of confidence Tuesday in the Czech Parliament.

The vote will come less than two months after the election of the first center-left government since communism ended in 1989.

Opposition Social Democrats, led by Milos Zeman, won the election, but the Civic Democratic Party of the former prime minister, Vaclav Klaus, came in a close second.

After Mr. Zeman, as prime minister, failed to negotiate a coalition government with smaller parties, he struck a stability pact with Mr. Klaus.

Social Democrats control 74 seats in the 200-seat legislature, far short of the simple majority needed to win the confidence vote.

According to the agreement, all 63 of Mr. Klaus's deputies will walk out before the vote. That will leave just 137 legislators present, meaning the government will need only 69 votes to survive the vote of confidence. (AP)

## Poles Support Cross Outside Death Camp

WARSAW — More than 70 percent of Poles want to keep a large

cross associated with Pope John Paul II standing outside the Nazi German death camp of Auschwitz, a survey by the Demoskop polling agency said on Monday.

But the poll showed that 48 percent of those questioned did not support a campaign to set up new crosses at the site launched by radical Roman Catholic groups, a plan that has angered Jewish groups from both home and abroad. (AP)

## Nicosia Says Turks Strengthen Forces

NICOSIA — Cyprus accused Turkey on Monday of bolstering its forces in the occupied north of the island with more tanks and artillery.

It said Turkey was moving its forces into attack formations.

Defense Minister Yiannakis Omirou charged that the new tanks were made in the United States. He did not elaborate. (AP)

## War Tribunal Begins

THE HAGUE — Six Bosnian Croats went on trial before the UN war crimes tribunal Monday, charged with complicity in the slaughter of scores of Muslims and the torching of their homes in a Bosnian village.

Every Muslim home in the mainly Muslim village of Ahmici was burned to the ground in the attack. (Reuters)

# Kohl, Lagging in Polls, Recruits His Former Foe

## Spaeth Rejoins the Leader He Once Challenged

By John Schmid  
International Herald Tribune

FRANKFURT — Chancellor Helmut Kohl, who trails in polls with fewer than six weeks to the election, recruited a former political adversary as a top adviser Monday.

Lothar Spaeth, whom Mr. Kohl purged from the leadership of his Christian Democratic Union in 1989, agreed to rejoin Mr. Kohl as chairman of a new advisory group on "future and innovation," which will counsel the chancellor on issues facing Germany in the age of globalization.

By naming Mr. Spaeth, who belongs to a small but loud fraternity of maverick German leaders willing to press for unpopular economic and social reforms, Mr. Kohl has countered a move by his front-runner challenger, Gerhard Schröder, who enlivened the campaign this summer with his appointment of an outspoken advocate of free-market reforms as his economic adviser.

Mr. Kohl's announcement came as some polls show that the race has

tightened as the election nears and just before the campaign enters the "hot" phase in the final weeks.

Mr. Kohl's Christian Democrats have climbed to about 38 percent of the vote while Mr. Schröder's opposition Social Democrats on the left hold anywhere from 41 percent to 43 percent.

It was unclear whether Mr. Spaeth would take over a ministry if Mr. Kohl prevails in a come-from-behind victory in the Sept. 27 vote.

Regardless of how extensively Mr. Spaeth engages himself in Mr. Kohl's services, Mr. Spaeth's rehabilitation in Bonn itself ranks as a notable event under a tough chancellor with little tolerance for dissent and a reputation for ruling his party for 25 years with an iron hand.

Mr. Spaeth leveraged his influence as powerbroker and deputy chairman among Christian Democrats in a 1989 bid to topple Mr. Kohl as party leader. Had he succeeded, Mr. Spaeth would have replaced Mr. Kohl, who was politically weak and unpopular at the time.

# Insurer Expected to Settle Jewish Claimants' Lawsuit

By David Cay Johnston  
New York Times Service

NEW YORK — Holocaust survivors and Jewish charities are near an agreement under which Assicurazioni Generali SpA, the giant Italian insurance company, would pay at least \$165 million to settle claims involving the policies of East European Jews after World War II, according to U.S. Senator Alfonse D'Amato. A spokesman for Generali confirmed that a settlement was expected in a few days.

Mr. D'Amato, Republican of New York, said Sunday that in settling now, Generali would avoid "a nasty and protracted legal encounter" that could harm its business around the world.

Four people who have been briefed on the negotiations to settle a lawsuit filed last year in U.S. District Court in New York said the settlement would affect about one-third of claims by Jews who lived in Eastern Europe, where Generali was the largest seller of life

and annuity policies in the years before the war. An official announcement of the settlement is not expected until at least Wednesday.

Claims against other insurers and against companies operating in Western Europe would not be affected by the expected settlement.

By settling, Mr. D'Amato said, Generali would become the first insurer "to break the code of silence and the wall of denial about some egregious practices that have existed for many years."

Last week, two Swiss banks, Union Bank of Switzerland AG and Credit Suisse Group, said they were settling claims by Jewish depositors and their heirs who were refused the return of their money after the war.

Mr. D'Amato said there was only "one last technicality" to be worked out before a settlement was signed with Generali. The other people who know details of the talks said the senator was pressing Generali to increase significantly the amount it would pay.

## ASIA/PACIFIC

## BRIEFLY



COURTHOUSE SCUFFLE — Police in Lahore, Pakistan, subduing a woman Monday as former Prime Minister Benazir Bhutto and her husband, Senator Asif Ali Zardari, appeared before a court to face corruption charges.

## Burma Party Requests Doctors for Dissident

RANGOON — The opposition National League for Democracy on Monday asked the government to allow the doctors of the party's leader, Daw Aung San Suu Kyi, to visit her on the country road where she is parked on the sixth day of a political protest.

Burma's military government Wednesday blocked the latest attempt by Daw Aung San Suu Kyi, 33, to travel outside the capital to meet with members of her political party, claiming the journey was "unsafe."

It was her fourth attempt in two months to challenge the military's restrictions on her movements. Refusing to turn back, she has remained in a van which is parked on a small wooden bridge in the village of An-yaru, 32 kilometers (19 miles) west of the capital. (AP)

## Bottled Drinks Banned Across Everest Region

KATMANDU, Nepal — The Nepalese government on Monday banned all bottled drinks from the Everest region to minimize littering on the slopes of the world's highest peak.

Empty bottles left by climbers have been a main concern of Nepalese environmentalists for years. An average of 30,000 trekkers each year are said to leave about 200,000 bottles of water, beer and other beverages on the slopes.

Only drinks distributed in aluminum cans will be permitted in the area, as they can be crushed and easily carried back to base. They are also good waste for trash collectors, said Umesh Singh, an official at

the Nepalese Tourism Ministry. The ban will be imposed throughout the Everest region, which is a national park, and will be monitored by the Everest Pollution Control Committee, an agency funded by the ministry and the World Wildlife Fund, Mr. Singh said. (AP)

## Troops Kill 10 Rebels In Kashmir Forests

SRINAGAR, India — Fourteen people were killed in Kashmir on Monday in a clash between army troops and Muslim separatist guerrillas and in rebel attacks on civilians, Indian officials said.

Ten rebels were killed in the dense forests in the Kupwara district, 140 kilometers north of the summer capital Srinagar, said an army spokesman. There were no casualties among the soldiers.

In the same district, militants killed two brothers in their home. Both were activists of the National Conference Party, which governs the Jammu and Kashmir state, police said.

In a separate incident, militants abducted two civilians in the Baramulla district and abandoned their bodies a few hours later, police in Srinagar said. (AP)

## Jakarta Frees 3 in Coup

JAKARTA — Indonesia announced Monday that it would free three Communists jailed a quarter of a century ago for taking part in a 1965 abortive coup that triggered former President Suharto's rise to power.

Justice Minister Muladi, speaking after attending a ceremony to mark the 33rd anniversary of Indonesia's independence, said the three would be freed on humanitarian grounds. (AFP)

# Plight of Chinese Indonesians Stirs Anger in Beijing

By Elisabeth Rosenthal  
New York Times Service

BEDUNG — Students and women's groups sidestepped government authorities Monday to stage emotional demonstrations against the looting, killing and rape suffered by ethnic Chinese in Indonesia in May.

The rioting originally received only cursory coverage in China, and it was not until this month, when two Chinese newspapers published photo essays on the savage violence, that the issue was thrust before the public.

Those reports prompted general outrage, with anger directed primarily at Indonesian leaders, but also at the Chinese government and official press. Some citizens maintained that the government should have reacted sooner and more forcefully.

One of the women's groups and students from Beijing University applied to the Public Security Bureau for permits to hold organized

demonstrations Monday, Independence Day in Indonesia. They were refused. But members of both groups rebounded with small but powerful events, which they insisted were either not organized or not demonstrations. It was a highly unusual move in a city where political demonstrations are tightly controlled.

In a Beijing hotel banquet room decorated with feminist slogans and pictures of rape and torture victims, an audience of 150 heard a succession of prominent women, many dressed in black, often lapsing into tears, condemning the rape of ethnic Chinese women and decriing Beijing's slow response.

"More than 10,000 demonstrated in Hong Kong, more than 10,000 signatures were collected in New York," said Zhao Shunqing, a television news reporter, "and I wondered, what has mainland China done in this matter?" She wore a yellow ribbon in support of the vic-

times of the Indonesian riots. Meanwhile, at the Indonesian Embassy in Beijing's expensive Sanlitun district, small groups of somber university students, also wearing yellow ribbons, arrived throughout the morning to protest the abuse, each group in its own way.

A group of several dozen from Beijing University staged a short sit-in just outside the ambassador's residence and presented a T-shirt signed by more than 100 students condemning the attacks. Others unfurled posters bearing grisly photographs that have appeared in the Chinese press in the past week.

"We came spontaneously," said a Beijing University undergraduate in jeans and a white T-shirt, gave only his surname, Xiong. "This was not organized. It was a matter of conscience."

These actions, small as they were, were the largest student demonstrations since the Tiananmen Square

demonstrations of 1989. Security was heavy, with far more police than students in the street near the Indonesian Embassy. Public security officers urged the students and journalists to leave.

Human rights groups have said that at least 168 women were raped in the Indonesian riots. Many shops owned by ethnic Chinese were looted.

The ethnic violence in Indonesia and the popular outcry against it in Beijing present a dilemma for Chinese leaders, whose basic policy has always been not to meddle in the affairs of other countries and not to tolerate other countries' meddling in theirs — particularly when human rights are involved.

Still, as China has grown as a regional power it has shed some of its traditional isolationism. In mid-July, Beijing started to lodge protests with Indonesia. The protests have grown louder over time. In a recent editorial, People's Daily, the Communist Party newspaper, urged Indonesian leaders to "punish the criminals strictly."

Both the women's groups and the students receive some support from the government. Officials passed on a student petition to the Indonesian government, for example. But both groups had to sidestep the authorities to get their message out.

After the women from the China Women's News were denied permission to demonstrate, some of them reserved

the banquet room at the Qi Lu Hotel. They called their event "Intellectual Women of the Capital Voicing Their Support for the Ethnic Chinese Victims of Indonesia."

Just before the speeches were to start, managers at the hotel became nervous and asked the organizers if they had official permission. The organizers replied none was needed since the event was not a demonstration. In the end, the hotel allowed them to stay — as long as they covered over the hotel's name on the stage.

From the dais, Guo Yan-qi, an editor at China Women's News, asked the audience to observe a minute of silence and then gave the stage to an ethnic Chinese woman from Indonesia, who was visiting her son, a language student, in Beijing.

"Young women don't dare go out, not even to school, because nowhere is safe," the woman said in Bahasa Indonesian, looking shell-shocked.

Like the women at the hotel, the students from Beijing and Qinghua universities who made their way Monday to the Indonesian Embassy demanded an international investigation and compensation for victims.

The hundreds of police near the embassy allowed the students to have their say and then politely urged them to leave. Officers warned the students against "being used" by Western reporters.

# China Suspends Sterilization Of People With Genetic Ills

By John Pomfret  
Washington Post Service

BEIJING — The Chinese legislature and the Ministry of Public Health have effectively suspended parts of an ambiguously worded law that permits doctors to sterilize people with serious genetic conditions, a leading Chinese medical ethicist said Monday.

At a meeting Aug. 3, officials from the Commission of Legislative Affairs of the National People's Congress and the Health Ministry told Chinese scientists that they had issued an "explanation" of the law, allowing sterilization only with the consent of a couple or their guardians.

Doctors also were informed that the government was seeking advice from Chinese and international geneticists about which genetically linked diseases were serious enough to warrant sterilization.

Regarding another provision of the law, the explanation added that people testing positive for HIV, the virus that causes AIDS, did not need permission to marry. People with AIDS, however, are still banned from marrying.

Qin Renzong, director of the bioethics program at the Chinese Institute of Philosophy, has been battling for a revision of the Maternal Infant Health Care Law since it became

effective on June 1, 1995. He said the explanation had been sent to all cities and provinces in China.

He quoted health officials as saying a revision of the law would take years but that the explanation had the force of law.

China had come under intense international criticism over provisions of the law that directed doctors to determine whether couples had any "genetic disease of a serious nature" and gave the physician the right to block child-rearing through sterilization or "long-term contraceptive measures."

The European Society of Human Genetics and the European Alliance of Genetic Support Groups, among other Western genetic societies, criticized the law as a violation of human rights and "an abuse of genetic information."

Ole Doring, a fellow at the Institute for Asian Affairs in Hamburg and a specialist on Chinese medical ethics, welcomed the explanation, saying it illustrated that "the strategy of encouraging China and engaging in critical but fair discussion with China is much more fruitful than other efforts to change China have been."

But the specialist noted that sterilizations could be continuing because provinces and local governments often have their own regulations authorizing such procedures.

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## EDITORIALS/OPINION

## Herald INTERNATIONAL Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

## Bombers Against Peace

Everyone's worst fears about Northern Ireland were realized on Saturday when a car bomb exploded in the town of Omagh, killing 28 people.

While the majority of voters endorsed the peace agreement in May, both Protestant and Catholic splinter groups have threatened to express their opposition through violence. Now one of them, suspected to be an Irish Republican Army splinter group called the Real IRA, has carried out the deadliest attack in Northern Ireland since the conflict began three decades ago. The group's aim can only be to provoke the return of violent clashes by inspiring retaliation by Protestant groups. It is up to police and politicians to ensure that they do not succeed.

The British prime minister, Tony Blair, rightly pointed out that this bombing takes place in a very different political context from previous ones. The Real IRA, which is thought to have fewer than 100 members, has no public support. In Omagh, the whole town pulled together to treat victims, who include both Protestants and Catholics.

Gerry Adams, the leader of Sinn Féin, the political wing of the IRA, said he was "totally horrified" by the bomb. Adding, "I condemn it without any equivocation whatsoever." The statement is a great improvement over Mr. Adams's past responses when the IRA or its splinter groups have been held responsible for bombings. He repeatedly expressed sorrow for the victims while never blaming the perpetrators.

The Real IRA, which operates out of the Irish Republic, must be dealt with through swift and sure police work, not through retaliation. The Irish police

have had some success in catching its members, although clearly not enough. Their stepped-up efforts must be consistent with democratic practices, and should not include internment without trial for suspected guerrillas. The Irish prime minister, Bertie Ahern, said after the bombing that his government would not rule out this tactic.

Founded last year, the Real IRA is the most dangerous of three IRA splinter groups. Police think its commander used to be in charge of the IRA's weapons.

David Trimble, a Protestant who is first minister of Northern Ireland's new Assembly, charged after the bombing that it could have been prevented had the IRA handed in its weapons. Mr. Trimble's rhetoric is overheated, as the bomb appears to be made of products easily available to a clever terrorist.

No evidence has yet surfaced publicly to support the serious charge that IRA members are passing weapons to splinter groups. But to reassure Protestants, to avoid further suspicion and to prevent the possibility that the weapons will be used, the IRA should begin to turn its stockpiles over to the authorities.

Protestant politicians, especially those with links to once violent groups, must do everything they can to head off retaliatory attacks.

All politicians should intensify their efforts to get the Northern Ireland Assembly going in the fall and then create the cross-border body linking Northern Ireland and Irish politicians. They must protect the bomb's real target, peace.

—THE NEW YORK TIMES.

## Military Worries

U.S. Navy pilots are leaving the service at a disquieting rate. Too many Air Force jets are short of spare parts. With military pay falling behind civilian, the volunteer force overall is leaving trouble recruiting enough qualified fighters. All this has a disturbingly familiar ring, recalling the "hollow army" of the late 1970s. Then, too, readiness and troop quality declined. President Ronald Reagan responded with a massive buildup, the benefits of which are only now finally running out.

There are, in fact, key differences between today's armed forces and the degraded units of the post-Vietnam era. First and foremost, the force today remains far readier and more capable; the signs of deterioration today are real, and troubling, but much less extensive.

But a second key difference is the absence of political outcry as to the decline in military spending. Some in Congress are now calling attention to the warning signs, but for most of President Bill Clinton's term, he and the congressional Republicans have pretty much agreed on the wisdom of reduced and then stable military budgets, differing only at the margins. Even now, many conservatives are talking about tax cuts, not national security.

The very different political atmosphere in turn reflects a third key difference: the end of the Cold War. Mr. Reagan cited the Soviet threat as the first rationale for his buildup. Today, many liberals and conservatives alike question why the United States cannot slash military spending more — why it has to spend more than double what Russia and China combined devote to their armed forces.

Yet these same skeptics in many

cases expect the U.S. armed forces to be ready for action when they see fit — to end genocide in Bosnia or starvation in Somalia, to restore democracy in Haiti, to build a missile defense for North America. They expect these things although U.S. military spending has decreased dramatically since the Cold War's end, whether measured in dollars or as a share of the federal budget or the national economy.

The mismatch between Pentagon plans and planned spending has been apparent for several years now.

This has not meant, and still does not automatically mean, that the Pentagon's five-year budget is too low. You could, like the Clinton administration, promise to make up much of the difference by closing unneeded bases and through more efficient management.

You could let current readiness slide while devoting more resources to developing weapons for the future. Or you could cut back on some of those future arms purchases, deciding, for example, that tomorrow's military will not need so many different kinds of warplanes.

But it is important to honestly acknowledge the risks in any such approach. The bottom line is that too democracy wants to spend money on its army in an era of relative peace, but such peace is much less likely to endure if the United States fails to maintain a strong and ready force.

A tax cut now would intensify competition between domestic and national security spending just as the military is showing signs of being squeezed about as much as it can stand. Congress and the administration would be irresponsible to ignore those warning signs.

—THE WASHINGTON POST.

## Other Comment

## Defying the United Nations

Saddam Hussein's decision to suspend cooperation with the International Atomic Energy Agency and UN Special Commission is a violation of the agreement he reached with Secretary-General Kofi Annan less than six months ago and is a direct challenge to the authority of the Security Council. It is up to Mr. Annan and the Security Council to make sure that Saddam reverses course. And if they fail, we will have laid the foundation for taking our own decisive action.

Supporting UNSCOM is at the heart of our efforts to prevent Saddam from threatening his neighborhood, and we are proud to be its strongest backer. Because the UN Special Commission has been so effective in disarming Iraq, Saddam has sought to discredit the organization as provocative and biased. While this is patently untrue,

some in the Security Council have lent support to this effort.

We have taken the opposite approach, staunchly defending UNSCOM and its chairman, Richard Butler. However, when Iraq suspended all inspections on Aug. 3, we understood that Saddam had done something which even his backers in the Security Council could not defend.

It was in this context that I consulted with Mr. Butler, who came to his own conclusion that it was wiser to keep the focus on Iraq's open defiance of the Security Council. Had UNSCOM gone ahead with the intrusive inspections, they would have been blocked anyway. But some in the Security Council would have muddled the waters by claiming again that UNSCOM had provoked Iraq.

—Madeleine K. Albright, the U.S. secretary of state, commenting in *The New York Times*.

## Either Listen to the Turtles or They Eat the Forests

By Thomas L. Friedman

WASHINGTON — I had an unusual interview the other day. It was with Dejar Birschner, the 48-year-old mayor of Una, a town of 32,000 inhabitants on the edge of Brazil's Atlantic rain forest.

The mayor, along with a team of conservationists, also took me on a tour of the rain forest eco-park near Una that is supposed to provide jobs so that his people won't strip the forest bare and destroy one of the world's great ecosystems.

Mr. Birschner says he understands that logging is not sustainable anymore. He knows that the environmentalists have a point. But he also knows that his town really is not prepared for life without logging.

After our interview, the mayor started me by saying: "Now, I want to ask you something. Do we have any future?" It was a powerful question. I ad-libbed something about the need to move from an agro-economy to a more knowledge-based economy, by better educating his town's children.

The mayor listened, thanked me and left. I asked our translator to ask him privately what he thought of my answer. The translator reported back that the mayor wanted me to know that

when he gets to the office every morning he has 200 people waiting for him, asking for jobs and food — plus out-of-work loggers threatening his life.

If he can't provide them jobs, they will cut the trees and sell them to buy food, whether it's good for the rain forest or not.

Mr. Birschner represents a whole generation of people around the world today who are trapped in a no-man's-land between the computer generation that their kids, if they are lucky, might get up to speed for, and their parents' generation that enjoyed a stable existence from logging and farming.

I knew what he was saying in his question: "My villagers can't live off the forest anymore, and we're not equipped to live off computers. What are we supposed to do?"

High-tech entrepreneurs like to compare today's super-competitive economy to the old story about the lion and the gazelle in the jungle. Every night the lion goes to sleep knowing that in the morning, when the sun comes up, if it can't outrun the slowest gazelle, he will go hungry. Every night the gazelle

goes to sleep knowing that when the sun comes up, if it can't outrun the fastest lion, it's dead meat. But the one thing they both know is that in the morning, they better start running.

Well, not everyone is equipped to run so fast. There are a lot of turtles out there trying to avoid becoming roadkill on the information highway.

They are the villagers in Una, the pensioners in Russia, the unemployed in China, Indonesia, South Korea and Thailand. The turtles represent the real threat to the stability of this whole movement toward high-tech, free market, global capitalism.

Analysts have been wondering for a while now whether those left behind by globalization will develop an alternative ideology to liberal, free market capitalism. In the first era of globalization, before World War I, when faced with the brutality of global capitalism, people thought that communism, socialism and central planning were the answer. But those ideas are now bankrupt.

I don't think there will be an alternative ideology this time around. There are none.

The turtles who can't keep up will just eat the rain forest — each in his

own way, without trying to explain it or justify it. That is, if governments do not develop safety nets for the left-behinds, to protect them from hitting bottom and to help lift them into the game, they will make their own safety nets.

In Brazil, they will log the rest of the rain forest or they will join the peasant movement in the Brazilian countryside called Sem-Teto — those without roofs — who simply steal what they need. In Indonesia, they will eat the Chinese merchants, by ransacking their stores. In Russia, they will sell weapons to Iran or turn to crime.

This is not what the turtles want. There was a big street protest in Rio two weeks ago against the privatization of the state telephone company, Telcelas. The Brazilian newspaper O Globo asked one of the demonstrators why he had come, and he said: "They told me if I came I might get a job. The poor guy was not against the privatization. He just wanted a share."

With all due respect to 1960s revolutionary ideology, the wreckage of the earth went to go to Disney World, not to the barricades — if they are given half a chance. If not, they will eat their rain forest, whatever it might be.

The New York Times

## No Easy Remedies Against Anti-American Terrorism

By Robert M. Gates

## NEW YORK — After the

bombings of the U.S. embassies in Kenya and Tanzania, of the World Trade Center and in Riyadh and Dhahran, Saudi Arabia, in 1995 and 1996, Americans must face the reality that more such attacks are inevitable, perhaps with weapons of even more terrifying power.

Strengthening protection of embassies and other official sites is important, and Americans owe it to their fellow citizens who represent them abroad to give this effort priority. But the people and the government must accept another reality: As potential official American targets are "hardened," terrorists will simply turn to unofficial soft targets — businesses, schools, tourists and so on.

The threat can perhaps be channeled away from the U.S. government, but not away from Americans.

So, what then is to be done about terrorism? There is certainly no shortage of opinions on this score. Some of the advice is wise counsel, and some of it is nonsense. I would count as nonsense suggestions from various quarters in recent days that America lift the ban on assassinating its enemies.

How, in this most politically open society in the world, can anyone consider choosing a weapon against which Americans are the most vulnerable people in the world?

There are other reasons not to go down this path, from the mundane (when last America tried assassinations, in the late 1950s and early 1960s, it didn't seem to be very good at it) to the philosophical (the assassin's bullet seems a singularly inappropriate instrument of foreign policy for the world's greatest democracy).

More realistically, and help-

fully, there have been a number of suggestions for improvements in intelligence and law enforcement counterterrorism capabilities. No doubt, some ideas in these areas have merit, and more resources certainly can be used to pay for reward money, improved clandestine human intelligence and so on.

But, in truth, Americans can take pride in already existing CIA and FBI counterterrorism capabilities. Indeed, there have been important preemptive and law enforcement strikes against terrorists in the past 15 years.

□

No, the great deficiency in American counterterrorism efforts in the summer of 1998 is not strictures against assassination, nor inadequacies in intelligence and law enforcement.

The deficiency is political and strategic. It is in the perpetuation of myth and deception and spin by both the executive and the legislative branches of the government, by both political parties, who seem unable to level with the American people.

Here are some realities that the government does not acknowledge.

Most U.S. counterterrorism successes are against lone actors, such as the gunman who killed two people outside the CIA's headquarters in 1993, or against foot soldiers of larger terrorist organizations.

Failures — for example, to get the Pan Am 103 bombers out of Libya to stand trial, or to get more information out of the Saudi government about the 1995 and 1996 bombings — are the result of conscious but unspoken government decisions about political priorities.

To get the Pan Am 103

bombers out of Libya would require an ultimatum to the Libyan government that the two be turned over to a court in England or Scotland within a short time or the U.S. military would, step by step, day by day, turn Libya's military establishment and then its oil industry into a smoldering ruin. Of course, America would be alone, acting unilaterally and in the face of near unanimous international opposition.

Getting the Saudis to tell what they probably know about foreign responsibility for the bombings in Riyadh and Dhahran would require playing very high economic, political and security cards — a massive use of leverage — that would have long-lasting and negative consequences for the American-Saudi relationship and the U.S. presence in the Gulf. In both cases, the U.S. government, perhaps wisely, has chosen not to act in such a blunt manner.

So, the first reality about counterterrorism policy is that you face conflicting national priorities. The politically difficult and, indeed, unspeakable issue is whether the level of American casualties from terrorism is acceptable to the government compared with the political, security and economic consequences of a far more militant approach to dealing with terrorism.

Another unacknowledged and unpleasant reality is that a more militant approach toward terrorism would, in virtually all cases, require acting violently and alone. No other power will join America in a crusade against terrorism — in fact, some "friendly" governments protect their countries against terrorism by cutting deals with

the groups, allowing them operational freedom.

No political or economic sanctions would work. Only violence. Only alone. And only if it can be figured out how and against whom to retaliate.

A third reality is that retributive violence, no matter how massive, almost inevitably begets more violence in response.

Conventional wisdom holds that President Ronald Reagan's attack on Libya in 1986 chastened Moammar Gadhafi and essentially ended Libyan terrorism. Not true. Many experts believe that the Libyan bombing of Pan Am 103 in 1988 was, in fact, in retaliation for the 1986 bombing attack on Libya, and that there were probably other acts of Libyan terrorism after 1986.

□

There is no quick, clean or conclusive end to retribution against terrorists. The war is the quintessential "long, twilight struggle," with limited casualties on the terrorists' side, occasional appalling casualties on the American side, and countless victims caught in between, as we have seen in Africa.

The painful question facing the American people and the American government today, as in the mid-1980s, is whether to make a war against terrorism the highest priority in foreign policy. A war in which broader American political, economic and security interests would be sacrificed to America's own jihad, or holy war, against terrorists.

This brings us to the final reality of how we Americans must respond to terrorist acts as we have seen in Saudi Arabia, Kenya and Tanzania. We will never prevent all — or even most — such acts. In the world of real choices, we can protect ourselves better. We can bring some terrorists to justice. But, above all, we can pursue policies and strategies that in the long term weaken terrorism's roots.

We can pursue a peace in the Middle East that does not know to Israeli Prime Minister Benjamin Netanyahu's obstructionism and betrayal of Yitzhak Rabin's legacy.

We can carefully pursue a nascent dialogue with President Mohammed Khatami of Iran and not play into the hands of his militant domestic adversaries — who may see terrorism against America as hitting two birds with one stone. We can promote human rights and political freedom in the Middle East as we did in the Soviet Union and try to do so in Asia.

We can use force against the sponsors of terrorism, whether governments or groups, or, in the case of individuals, we can arrest

and try them to show that our reach is, in fact, as long as our memory. And to show that those who would be martyrs to attack us do themselves invite martyrdom, or American jail.

This mix of force and diplomacy, this reliance on patience and planning, the painful realization of more casualties to come, is not satisfying emotionally. It does not quench the thirst for revenge or justice; it does not offer beguilingly simple answers to complex problems and difficult choices. In reality, though, it is the only sustainable course.

But even this approach to dealing with terrorism cannot be sustained absent a broader American strategy for dealing with the world beyond U.S. borders. No successful counterterrorism strategy is possible unless American leaders accept that the United States cannot insulate itself from the rest of humankind, cannot treat the rest of the world as a part-time interest or a political football, and cannot abdicate the responsibilities and costs and sacrifices of global leadership.

Republicans and Democrats alike must stop hiding behind public opinion polls that purport to show that Americans do not like foreign commitments, especially those possibly involving sacrifice. Americans in this century rarely have enthusiastically accepted international commitments.

It has required courageous and far-sighted leadership in Washington — above all from the president, but with congressional support — to persuade Americans of the need to lead and to protect U.S. interests around the world, even knowing that the cost in blood and treasure may at times be high. Such leadership has been sadly lacking in recent years at both ends of Pennsylvania Avenue.

Terrorism against Americans will be a fixture of our world for a long time. Real leadership in Washington would help Americans understand the realities of this protracted war and the importance of consistent American leadership and involvement in a world caught up in revolutionary change.

Real leadership — Republican and Democratic — would speak honestly to the American people, without spin or cant of partisanship, about the realities of a world we dominate but do not control.

The writer, a career intelligence officer, served on the National Security Council staff under four presidents and was CIA director under President George Bush. He contributed this comment to *The New York Times*.

## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

## 1898: Dual System

PARIS — [The Herald says in an Editorial:] Upon the issue of Austria hangs the issue between the Empire and Hungary. Unless the Austrian Parliament can furnish a majority for the renewal of the accord with Hungary then the trans-Leithan government threatens to take matters into its own hands. This accord, involving commercial and financial treaties, is renewable every ten years. The provisional extension will not be repeated. This means that Hungary will be able to dictate her own terms, eventually which must lead to the death of the Dual system and the substitution of merely "Personal Union" of the Austrian and Hungarian crowns.

## 1923: Esterhazy Dies

PARIS — It has just come to light that a French nobleman known as Comte Jean Marie de

Vollemont, who died and was buried at Harpenden in May last, was none other than the celebrated Major Count Esterhazy. He became implicated in the Dreyfus case, it being claimed by the advocates of Dreyfus' innocence that Esterhazy forged the famous "bordereau," or list of documents, alleged to have been delivered by Dreyfus to the Germans.

## 1948: African Affairs

CAPETOWN — The government of the Union of South Africa intends to end African native representation in the House of Assembly, Prime Minister J.F. Malan announced. "We will set up institutions for them in their own reserves and promote the development of institutions which will put them in the position of having a great voice in their own affairs and to retain their own national character," said the Prime Minister.

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## OPINION/LETTERS

## An Argument for a Free Market in Schooling

By William Raspberry

WASHINGTON — Andrew J. Coulson did not really want to go where the facts seemed to be dragging him. But facts are facts, and the Seattle researcher is convinced that his conclusion, however reluctantly reached, is correct: The public school system is bad for education.

Oh, boy, you say: another public education basher, another apologist for "choice." Well, yes, but listen: "I am an education researcher and writer, and I have had the luxury of dedicating myself full-time for the past four years to a single question: What sort of school system would best meet the public's actual educational goals?"

To answer that question I have analyzed public opinion data from polls and focus groups. I have studied school systems around the world from ancient times to the present and I have pored over virtually every scrap of relevant research on the performance of public and private schools.

In keeping with the public's broad range of aspirations for their institutions of learning, my investigation has gone beyond academic and job outcomes to include the indirect social effects that schools have on their communities and so-

cieties, and the impact of different school systems on poor and minority families.

And his finding: "Free educational markets, in which parents have been able to choose any school for their children, and schools have been forced to compete with one another to attract students, have consistently done a better job of serving families and nations than state-run systems such as we have today."

"In other words, the institution of public schooling is not the best mechanism for advancing the ideals of public education."

Mr. Coulson's is a sweeping blow to those of us who keep hoping the system that served earlier generations of Americans reasonably well can be helped to overcome the effects of bad policies, inadequate teachers, disengaged parents and indifferent students to perform their magic yet again.

He wonders if the magic ever was there in the first place, though undoubtedly a lot of people — including the 31-year-old Coulson himself — have come out of public schools in good shape. He says he is con-

vinced by his research, though he cannot prove it, that the free market approach — including competition, the profit motive and the direct cost to parents — adds value to schooling. Unfortunately for his case, there is no place in the world where private and free market systems can be fairly compared.

"That's why most of my book," "Market Education, the Unknown History," will be published in January — "is historical. As far back as ancient Greece and the Muslim empire of the 8th through the 11th centuries, you can find some really interesting comparisons."

"If you compare Athens's free market education to Sparta's highly centralized state system, for example, you find some compelling distinctions. Athens, as anyone who's looked at history knows, produced fine literature and pioneering work in mathematics and art, had the most sophisticated economic system of its time and left an enormous legacy of learning."

"Sparta didn't fail utterly, but it became mainly a narrow military society with no culture. Sparta has given us names for high school football teams and not much else."

Mr. Coulson says he understands

the radical nature of his conclusion and fears that it will be dismissed as the product of ideological fervor.

"I am neither a fundamentalist Christian nor a social conservative," he told me. "I am pro-choice on abortion, supportive of equal rights for all citizens irrespective of race, religion, sex or sexual orientation. And yet I'm afraid that my book will be discounted by many other well-meaning liberal-minded people simply because it is not favorable to the institution of public schooling."

Mr. Coulson is not the first observer to note the connection between direct cost and parental involvement. He cites a prominent lawyer, born in the early 60s in a small town without a high school, who undertakes to endow a school out of his own pocket. But though he could afford to underwrite the entire tuition cost, he decides to provide only a third, for fear that his "gift might be abused for someone's selfish purposes, as I see happen in many places where teachers' salaries are paid from public funds."

The prominent lawyer was Pliny the Younger, born in the early 60s of the first century.

The Washington Post

## A 'White House' in Central France Aims to Foster U.S.-French Amity

By Flora Lewis

LA BACHELLERIE, France — There is an empty chateau set in woods and rolling hills near this village in the Perigord that has a startlingly familiar look, unlike most of the chateaux in the region.

It is a twin of the White House in Washington, with a semicircular colonnade, a large, graceful oval room, and two well-proportioned wings. Historians disagree whether one is a copy of the other, and if so, which was built first.

The American White House was designed by the Irish architect James Hoban and the first stone was laid in 1793. The French version, built for the old aristocratic family of Rastignac by Mathurin Safat, was started shortly after the French Revolution in 1789 and completed in 1815, the year Napoleon finally fell.

It has been pointed out that Pierre L'Enfant, the Frenchman who laid out the streets of Washington, and Thomas Jefferson, who was ambas-

sador in Paris before he became president of the United States, carried their ideas of architecture back and forth. So it is not at all far-fetched to consider the similarity between the two buildings no coincidence and to call the Chateau de Rastignac the

## MEANWHILE

"French White House," as Alain de Trampoglieri does.

Mr. de Trampoglieri is a French politician and publisher who is determined to restore the Perigord chateau as a monument to French-American friendship and as a site to celebrate the two nations' long, though not always easy, relationship.

Already he has erected two flagpoles, one flying the French tricolor and the other the Stars and Stripes, by the old mill in the field below the mansion, where they frame the view of its portico. Work has begun on restoration of the mill, whose central room will be made into a replica of the Oval Office, with memorabilia and museum pieces.

He notes that the White House was made of gray Virginia stone and only painted white after the British burned it in 1814.

The Chateau de Rastignac is of the local pale ochre stone and it, too, was burned, pillaged and totally sacked, by Nazi SS troops in 1944 in retaliation for Resistance activities in the area. It will not be painted, but Mr. de Trampoglieri's intention is to make the interior provide a kind of

magic-carpet trip from the French countryside to the American president's home. His enthusiasm is infectious. There are other sites honoring the French-American connection in France: the Marquis de Lafayette's grave, where U.S. diplomats lay a wreath every year; the vast World War II cemeteries in Normandy; the war-related museum at Biscornet; the museum of American impressionists at Giverny.

But there are none in the Perigord area — in the Dor-

dogne region of central-west France — and perhaps none so frankly linked to the idea of political relations.

Sometimes France is called America's oldest ally and sometimes its most cantankerous friend. The postwar record is full of ups and downs, with reliable efforts to seek amity when things get too edgy — but a steady abrasion nonetheless.

All the evidence is that the French people really like Americans and vice versa, but officials and intellectuals often take pleasure in some provocation.

General de Gaulle, resentful of what he considered wartime indignities inflicted by the United States, made a point when he returned to power of demonstrating French grandeur and independence by a certain confrontation with America.

The reflex remains, on occasion for reasons of real difference, such as sanctions on Iran and Cuba, on occasion for what seem matters of mere prestige, such as France's insistence on taking control of the Southern Command before rejoining NATO's military organization.

Mr. de Trampoglieri is hoping to provide an antidote and another people-to-people link by luring both French and American visitors to his White House.

At present, French-American relations are on a fairly even keel, due largely to the decision of France's foreign minister, Hubert Vedrine, to avoid criticisms and slurs for their own sake and to focus on issues, not personalities.

But there are a number of issues coming up — such as the possibility of a renewed crisis with Iraq and the delayed decision about what to do about Kosovo — that are likely to rub the sore spots.

It can only be a help when there is a deliberate effort to enhance friendship with well-recognized symbols that promote human exchanges.

No power is exercised from the French White House but the power of attraction. That it does.

Flora Lewis

## A Willful and Malicious Conspiracy Against 'We the People'

By Gore Vidal

LOS ANGELES — The 42nd president of the United States, William Jefferson Clinton, has committed what could be a fatal political error by allowing himself to be questioned under oath by an independent counsel, Kenneth Starr, who has taken more than four years and spent \$40 million in taxpayer money trying to prove that Mr. Clinton must be guilty of something or other and so should be impeached by the House of Representatives and

then convicted by the Senate for what the peculiar Mr. Starr will argue is a high crime or misdemeanor like treason or taking bribes or insufficient racial bigotry.

Foragers are mystified by the whole business, while thoughtful Americans — there are several of us — are equally mystified that the ruling establishment of the country has proved to be so mindlessly vindictive that it is willing, to be blunt, to overthrow the lawful government of the United States.

First, what is the president guilty of? Attempts to prove that he did something criminal 15 years ago in Arkansas in a real estate deal came to nothing. Undeterred, Mr. Starr kept on searching for "high crime, and misdemeanor," as the constitution puts it. Had one of Mr. Clinton's associates in the White House been murdered, possibly by Hillary Clinton, said to be his mistress? This

"murder" was found to be a suicide, the result of depression brought on by savage attacks from the Wall Street Journal. The restless Mr. Starr moved on to other areas.

Meanwhile, in 1994, Congress became Republican and political partisans are now reveling in the political paralysis of the Democratic White House.

According to Mr. Starr, the fate of the Republic depends upon whether Mr. Clinton lied "under oath" when he denied having had sexual relations with a White House

**The ruling establishment has proved so mindlessly vindictive that it is willing to overthrow the lawful government of the United States.**

intern, Monica Lewinsky, assuming anyone can define, satisfactorily, a sexual relation. Irrelevance is now the American condition, both as a global empire and an incipient domestic polity.

Two-thirds of all the world's lawyers are American, and they have made a highly profitable, for them, mess of our American legal system. They could not prove, in the 1950s, that Alger Hiss had been a spy for the Soviets,

so they sent him to prison on an unconvincing perjury charge. Al Capone was never convicted of murder or extortion; he was put in jail for income tax evasion.

Unable ever to be relevant to what is the true case, we make not telling the truth under oath (to whom? what?) the crime of crimes. This is law in its decadence.

After four years, Mr. Starr has found no crime that Mr. Clinton has committed except denying a sexual relationship with Ms. Lewinsky, which she has already said under oath never took place but now says, under oath and with a wink from Mr. Starr for her previous perjury, did take place. The president cannot be indicted by a civil grand jury. He need not speak to Mr. Starr, who is, ironically, his employee.

What is behind this vendetta against Mr. Clinton, a poplar, president? First, the most powerful emotion in American political life is the undying hatred of certain whites for all blacks. For American blacks, Mr. Clinton is white knight.

Arkansas is also a Southern state, where the Ku Klux Klan is still a force. When the schools were desegregated in the '50s, a battle line was drawn. A former judge and a member of the White Citizens Council known as "Justice" Jim Johnson has kept up a war against blacks in general and Mr. Clinton in particular ever since. "Justice Jim" is also associated with David Hale, who pleaded guilty to fraud and is in charge of the "Arkansas Project," funded by a conservative billionaire named Richard Mellon Scaife.

This brings us to the Clintons' other nemesis: the wealthy conservative ruling class. In order to avoid taxation, the wealthy have, through their lawyers, placed their capital in tax-free foundations for "charitable" purposes. To have such a foundation, one must never use it to meddle in politics. But Mr. Scaife does meddle.

He gives money to such disreputable magazines as the American Spectator, which has published numerous wild stories about the Clintons. A year or so ago he rewarded Mr. Starr with a future dealership in Pepperdine University, which Mr. Starr accepted. But then, as the publicity was bad, he was hastily returned to his war on Mr. Clinton. Presumably, he will be paid off by Mr. Scaife once his holy work is done. Every society gets the Tins Oates it deserves.

Mrs. Clinton is correct when she says that there is a right-wing conspiracy against them. Unfortunately for her, Americans have been trained by the media to go into Pavlovian giggles at the mention of the word "conspiracy," because for an American to believe in a conspiracy he must also believe in flying saucers or, crazier of all, that more than one person was involved in the JFK murder.

Mrs. Clinton, perhaps, emphasizes too heavily the right-wing aspect of her enemies. It is corporate America that declared war on the Clintons in 1993 when the innocent couple tried to give the American people a national health service, something every civilized country has but we must never enjoy because the insurance companies now get one-third of the money spent on health care and the insurance companies are the piggy banks of corporate America.

In order to destroy the health service plan, insurance and pharmaceutical companies, in tandem with lively elements of the American Medical Association, conspired to raise, according to some estimates, as much as hundreds of millions of dollars to create and then air a barrage of TV advertisements to persuade the electorate that such a service was Communist, not to mention an affront to the Darwinian principle that every American has the right to die, unhelped by the state, which collects half his income in life with which to buy, thus far, \$5.5 trillion worth of military hardware. Then, not content with the political destruction of the Clintons' health plan, corpo-

rate America decided to destroy their reputations. Nothing personal in this, by the way. But how else can the ownership of the country send a warning to other feckless politicians that the country and its people exist only to make money for corporations now so internationalized that they cannot be made to pay tax on much, if any, of their profits? Mr. Starr is now the most visible agent of corporate America wielding a new weapon under the sun: endless legal harassment of a twice-elected president so that he cannot exercise his office as first magistrate.

All sovereignty in the United States rests, most vividly, on the concept of "We the People of the United States" (with the sometime addition of "in Congress Assembled"). The constitution, the common law and even the wealth of corporate America

or the rage of Impen white Americans against blacks must bow to this great engine that could, through a constitutional convention, sweep into limbo all our current arrangements.

Meanwhile, I should not in the least be surprised if yet another "conspiracy," in the name of We the People, be set in motion against Mr. Starr for his willful and malicious attempt to overthrow two lawful elections reflective of the people's will, and that he be put promptly on trial for treason against the United States and its People. If nothing else, such an exercise might reveal all sorts of highly interesting co-conspirators.

Mr. Vidal, the novelist, essayist and playwright, is author of "The Smithsonian Institution." He contributed this comment to the Los Angeles Times.



## LETTERS TO THE EDITOR

## Cambodia's Elections

Regarding "Stacking the Deck in Cambodia" (Opinion, Aug. 12) by Ellen Bark:

How refreshing the sincerity in Ms. Bark's article about the Cambodian elections.

I, too, was an observer of these elections, on behalf of the International Crisis Group. We saw irregularities in the period leading up to the vote — political violence, intimidation and vote-buying — and recommended the postponement of the election.

In its pre-election statement, the United Nations-sponsored, European Union-dominated Joint International Observers Group noted these problems. Interestingly, a report by these observers a month earlier was quashed because it was considered too political and based too much on issues of human rights. The group ended up anticipating an election "broadly representative of the will of the Cambodian people,"

although it carefully avoided predicting a free and fair election.

Ultimately, however, the observers group rushed to accept the overall result even before it had debriefed its own team. These observers may have seen nothing alarming on election day, but they conducted only spot checks of very few polling stations.

The International Crisis Group also issued an early statement on the elections. We thought that, if the opposition won, the international community could conclude that the elections had been sufficiently free and fair to reflect the Cambodian electorate's determination for change. But we cautioned that, in the case of victory by the ruling Cambodian People's Party, it would never be possible to determine whether this was a result of intimidation, vote-buying and violence or whether it broadly represented the will of the people.

These elections were neither free nor fair; they were merely the best possible in today's Cambodia given its lack of

experience of democracy and the international community's lack of will to press for a better performance.

ANNA HUSARSKA, Pristina, Yugoslavia.  
The writer is a political analyst at the International Crisis Group.

## Just Like the Old Haight?

Regarding "Wayward History Repeats Itself in The Haight" (Features, Aug. 14):

I see the writer's point about changes in the Haight Ashbury neighborhood of San Francisco, but I don't know that the presence of a Ben & Jerry's ice cream parlor and a Gap store would necessarily surprise The Haight's former denizens.

For one thing, what Summer of Love teenager did not buy, or at least window-shop for, blue jeans at stores like The Gap?

SHARI LESLIE SEGALL, Paris.

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## After Supermodels, What? Fashion Seeks a Quirky Edge

By Robin Givhan

**N**EW YORK — The end of the supermodels' dominance of the catwalk has sent the fashion industry scrambling in two directions for suitably dynamic replacements.

Instead of searching for a voluptuous body to take the place of Cindy Crawford or another classic beauty to fill in for Christy Turlington, editors and designers have turned to idiosyncratic beauties and traditional Hollywood glamour girls. And while these two strains within the fashion industry, at first blush, seem utterly unrelated, there is a curious similarity.

As an industry, fashion has embraced an "imperfect beauty."

"Really, what we look for is still a beautiful girl, but with more of a twist. We're not looking for a girl-next-door. The girl that used to work in the '80s is not the girl we're looking for now," says Joel Wilkenfeld, co-owner and president of Next Model Management, which represents Yasmeen Ghauri and Kirsten Owen, among others.

"We still want good cheekbones and the height and dimensions have to be right, but there can be a quirky edge. The teeth don't have to be perfect. There doesn't have to be a small button nose," he says. "It's not about being perfect."

And so the runway has welcomed "girls" — as models are called in the industry — with surprising features: a prominent nose, a generous splash of freckles, a spray of kinky locks.

About two years ago, the model Stacy McKenzie appeared on the runway for Todd Oldham. Her features were a shock to the audience. She was bigger than the average model, fleshier. She had skin the color of butterscotch and kinky hair to match. She had a broad mouth with full lips and the most enormous and expressive eyes that had been seen on the runway in a long time. The audience didn't know what to make of her. Some even thought she was a man, since Oldham had been known to include a drag queen or two in his shows.

Her arrival signified that something had changed. Fashion's pendulum had swung in the opposite direction.

"Magazines, photographers and designers dictate the look of models and they got bored of seeing blond-haired, blue-eyed girls," Wilkenfeld says. And "as the racial lines are going down and there are more mixtures today," he said, adding that ethnic models are becoming "more and more acceptable."

McKenzie has since appeared on other runways, including that of Jean Paul

Gaultier. She was featured in a Calvin Klein commercial in which she spoke, in her deep, husky voice, about her non-traditional looks as a way of selling a Klein fragrance that was conceived around the notion of individuality.

Thea Alek Wek appeared. The tall, ebony-skinned woman from Sudan mesmerized audiences with her deep, dark, perfect skin and prominent derriere. She graced the cover of *Elle* magazine. Karen Elson turned up with her chalk white skin and fiery red hair and brooding catwalk demeanor. Soon, she was shooting an advertising campaign for Chanel.

The look of male models dutifully changed, too.

"The men's market mirrors what goes on in women's," says Alana Varel, director of Next's men's division. "It started with Kate Moss. Guys had to compliment how she looked."

And so male models became less muscular. They didn't need chiseled good looks. They could be scrawny and a bit odd looking.

But there was something more than their looks that set these models apart. Most of them were quite happy to remain anonymous. They didn't seek the spotlight once they were off the catwalk. Outside of the fashion industry, few people were learning their names and even fewer were intrigued by their lives. These mannequins weren't interested in becoming brand names.

"They don't want to be superstars. They want to have a more normal life," says Anna Wintour, editor of *American Vogue*. "There has been a sea shift away from high-profile supermodels into another group that has chosen not to be so high-profile and that hasn't captured the public imagination."

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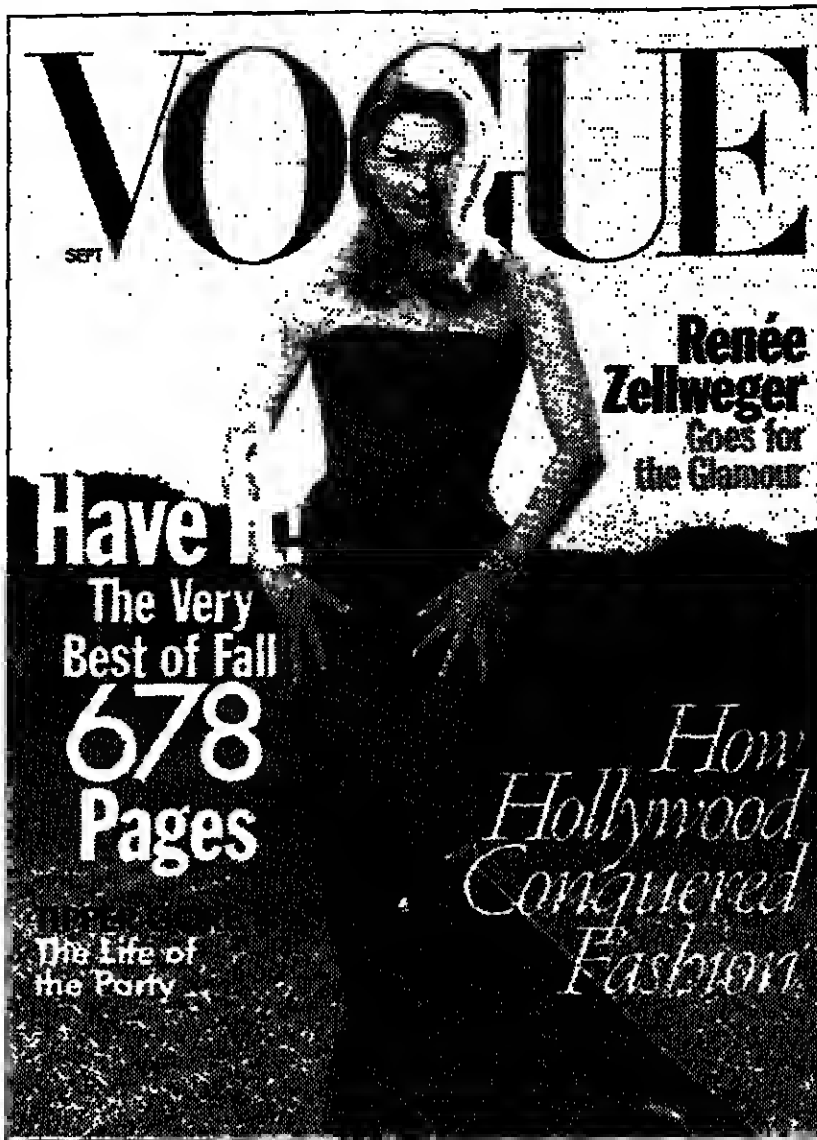
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Renée Zellweger as cover girl: Hollywood glamour helps sell clothes.

and looks good in clothes. She's such a sweet girl and a straightforward girl," Wintour says. "And, she has a brain."

These celebrities as models also bring a curious mix of elements to the fore. There is a sense that because these stars are not professional models, there is a hint of imperfection in their figure or in their face. They are beautiful, but they are not otherworldly. They are willing to reveal humanizing flaws in the well-polished magazine or television profile. That touch of realism makes them an even more potent sales force.

Besides, they are so happy to play the fashion game. This is a time when models are not shy about being seen com-

pletely disheveled during their off-time. They can be defiantly anti-fashion when they are not working for a client. But not stars. The cult of celebrity is such that they are photographed at every turn. Their appearance is dissected on countless television shows. They need fashion to keep them from being on the receiving end of barbed commentary.

And fashion needs the brand-name glamour that stars can provide.

"It helps sell the clothes. It presents a fashion image," Wintour says. "It helps us all."

Robin Givhan is a fashion writer for *The Washington Post*.



Among new-look models appearing on the catwalk are Stacy McKenzie, top left, and clockwise: Alek Wek, Scott Barnhill and Karen Elson.

## The 'Indie' Boutique Takes Root

By Amy M. Spindler  
New York Times Service

**N**EW YORK — So, we weren't just imagining things. Finally, there's proof that department stores and mass-marketed designers have reached an intolerable level of banality: Fashion's "indie" movement has begun.

When the music industry gets bogged down in overproduced, bland fluff, a more complex style like rap or punk explodes from independent record labels. When the film industry is overrun by soulless offerings, there's hunger for sophisticated independent movies. And now, as department stores are increasingly vapid, and as designer offerings increasingly court the masses, fashion has sparked its own independent movement with the indie boutique.

It began more than a year ago in densely packed shopping areas of Tokyo, like Shibuya and Harajuku, where streets are lined with what the Japanese call *lodies* — art, music or design stores that are less about merchandise than membership in a subculture.

"They're tiny shops with their own specific mood," said Nina Garduno, a vice president of Ron Herman/Fred Segal Melrose, who buys items from the stores. "Everything has become so mainstream, produced for the mass market, that if you're creative, you have to find yourself and make your own environment so you can show the world exactly what kind of art you're doing."

On New York streets like Stanton, East Ninth, Orchard and Elizabeth, an American indie scene is taking over, with designer-curators — many of them familiar with the trend in Tokyo — creating stores where fashion, furniture, music, art, architecture and hip nostalgia come together. With the same spirit, and with creative characters like those who populate the independent film and music movements, indie boutiques are a rebellious response to a homogenized market.

"You saw in Japan last year that the Japanese independent designer was really having a resurgence," said Savania Davies-Keiller, who just opened a new indie boutique, DDC Lab, on Orchard Street. "If you walk around the hot spots of Japan, they're all independent designers saying, 'Sit in the back and I'll make this up for you.'"

**T**HE very ubiquity and marketing efficiency of big-name designers and store chains are shaping up to be the establishment's undoing, say the indie boutique owners.

"People who travel a lot become so saturated by seeing the same things in every country — Tommy Hilfiger, Gap and J. Crew all over the place," said Maria Cornejo, who was a design partner with John Richmond when they had 20 stores in Tokyo called 3D Richmond Cornejo. Today, she has one store — Zero, here on Mott Street, which opened



Selima Saloun of Bond 07, above, and Maria Cornejo of Zero, owners of independent New York boutiques.



sion and commands the attention of the designer-owners.

Stores like Colette, DDC Lab, Zero, Language on Mulberry Street and Bond 07 on Bond Street are shortcuts for the shopper into the jet-set fashion world's design fixations, like DDC Lab's John Smedley T-shirts from London or Mikki Milly's hand-knit kangaroo pouches from Japan, which complement Davies-Keiller's innovative clothing.

Boutiques like Phare and Seize sur Vingt, both on Elizabeth Street, and Meghan Kinney on East Ninth Street offer what James Jurney, an owner of Seize sur Vingt, calls "the luxury of the connoisseur." He added: "The appeal of this neighborhood is they come down here and they're part of the process, the artisanship of the clothes being made. It's a luxury you don't get in strip malls in middle America."

The fashion establishment trots out its new passions every season, when a new collection is introduced on the runway; indie boutiques can give vent to them every day. In fact, there was a time when the ultimate expression of fashion independence was staging a runway show. But runway schedules have expanded, making it increasingly difficult for small designers to be noticed. For the same cost as one runway presentation on the regular schedule, an indie designer can run a boutique all year long. "I'm spending \$2,000 a month for two floors," said Tony Melillo, whose Nova boutique will open soon on Stanton Street. "And I get to create my own New York image out of that. Indie stores in general give you the ability to create this great space and great image for not a lot of money. On every street in Japan there are 10 in a row, their own image, their own look and their own clientele."

### SUMMER OF DELIVERANCE:

A Memoir of Father and Son  
By Christopher Dickey. Illustrated. 287 pages. \$24. Simon & Schuster.

Reviewed by Christopher Lehmann-Haupt

**T**HERE are two ways to read the title of Christopher Dickey's racking yet compelling new book, "Summer of Deliverance," a memoir of the author's cyclonic relations with his father, the poet James Dickey. In one sense, the title refers to the father's best-selling novel, "Deliverance," and the summer of 1971, when the book was made into an almost equally successful movie.

This was the high point of James's life, his son writes. He was writing the kind of poetry he had always striven for, with a "fast, athletic, imaginative and muscular vigor that I want to identify as my particular kind of writing." He was a star on the reading circuit, commanding fees high enough to keep his family comfortable and to collect the books, watches, guitars, bows, arrows, knives, canoes, typewriters, cameras, televisions and sextants that were his obsessions.

Life magazine had recently declared Dickey "a god," his son reports, "this 'athlete, pilot, ad man and fresh, emerging literary voice.' " He had distilled into "Deliverance" the essence of his macho fantasy of the wilderness, in which men confronted nature in the hope of overcoming it, if only to dream more peace-

fully. And now he would capture those dreams in what he saw as his film.

By contrast, the summer of "Deliverance" was a low point for the author. He was bitterly angry at his father for what he saw as a withdrawal of love from both himself and his mother, who was turning to drink for comfort. He also felt that his father was betraying himself, by giving up his dream of being a first-rate poet and by accepting a second-rate version of himself dependent on adulation and alcohol.

At the same time, the author was struggling to break free of his father, to do something worthwhile on his own terms, not just as the son of his father. Yet he could not resist the lure of watching the movie of "Deliverance" being made, even though his role was to serve as a stand-in for positioning the actors, most disturbingly for Ned Beatty as his character is about to be raped.

The other possible meaning of the title is the summer of 1996, a half-year before James Dickey's death on Jan. 19, 1997 (two weeks shy of his 74th birthday), when his son returned to Columbia, South Carolina, from his job as a foreign correspondent for Newsweek magazine to help his father in his decline. By this time the author's premonitions of 27 years earlier had been realized with a terrifying vengeance.

James Dickey had succumbed so completely to alcoholism that his health was severely impaired. His wife had died of drink at the age of 50. He was

remarried, to a former student, Deborah Dodson, who after bearing him the daughter he had always wanted had turned out to be a drug addict filled with such murderous rage that Dickey told his son he feared for his life.

The author had eventually intervened by persuading Deborah to move out, by arranging for her daughter to attend boarding school and by nudging his father toward sobriety. Now, in the summer of 1996, he was keeping his father company in his lonely, broken old age, and at last getting some response to the love he had for so long hopelessly given.

One reads Dickey's account of all this with pity and fear: pity for the suffering visited on a family that had been given, so much in the way of talent and success; fear of the destructive forces Dickey unleashed in his quest for an ecstatic vision. Yet, oddly, the book offers incomplete catharsis.

The author's emotions are too much a tangle of resentment, yearning, jealousy, competitiveness and pride. He reports that he has spent his adult life fighting to be free of his father. Yet in the act of writing "Summer of Deliverance," he becomes once again a stand-in, once again the mirror of his father that he fears he was trained to be. As a result, one doesn't take entirely seriously the ending of the book, in which father and son appear to be united again, recalling the good times of the past and declaring their love for each other.

New York Times Service

### CHESS

By Robert Byrne

**T**HE Mechanics Institute, 144 years old, featuring one of the oldest chess clubs in America, concluded its 1998 International Tournament in San Francisco in July, with a victory for Julian Hodgson, a 35-year-old English grandmaster, who outran an invitational round-robin field of 10 players.

Hodgson likes to get away from the beaten track as often as he can. He likes to make use of his talent for sharp, tactical play in new situations that are not heavily governed by theory. His game in the fifth round against the Turkish grandmaster Svat Atalik ex-

emplifies his free-spirited outlook.

Currently, the Larsen Opening (originated by the Rev. John Owen in the 19th century, championed by Aron Nimzovich in the 1920's and used by Bent Larsen in our time) is resurging in the desperate search to surprise the opponent. The absence of definitive theory makes it a hunting ground at any time.

The 1...d5 that Atalik chose cannot be criticized, but these days, 1...d6 followed by ...c5, g6 and ...Bg7, with a kind of King's Indian formation, has become the favored formula to nullify the fianchettoed white queen bishop.

Hodgson's 11 Qa4? was a clever move. Breaking the pin of the c6 knight with 11...Nd7 would have had the disadvantage that after 12 Be2, Black could not develop his king bishop.

After 13 Ne5, Atalik could not shrug off his difficult situation with 13...O-O? because 14 Ng4 Ng4 15 c5 wins a piece.

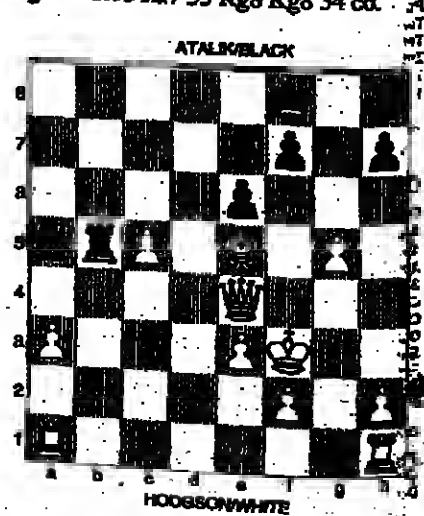
After 15 c5, Atalik could not capture with 15...Qc5 because 16 Rcd Qd6 17 g4 Bg5 18 g5 Ne4 19 Na7 Qd7 20 Bb5 wins the black queen. Hodgson was in his element.

After 15...Qc7 16 g4!, Atalik had to break the pin of his d7 knight to survive, but after 16...Be2 17 Qc2 Ne5 18 ab Rb8 19 Bb5 Kf8 20 g5 Ne4 21 Ne4 de 22 Qe4, he could not play 22...Qb7 because 23 Qe5! Qb5 (23...Qb1 24 Ke2 wins the

queen or else allows 25 Qg7 mate) 24 Qg7 Kc8 25 Qh8 Kd7 26 Qd4 puts White a rook ahead.

With 22...Ne3, Atalik kept struggling, but Hodgson kept coming with 23 Ke2! Rb7 24 Kf3 Rb5 25 Be3! Since 25...Qc5? walks into a quick mate after 26 Qa8, Atalik played 25...Qa5.

Hodgson immediately applied decisive pressure with 26 Rb1!, and after 26...f6 27 g7, Atalik gave up in view of the powerful penetration after 27...g7 28 Rb5 Qb5 29 Rb1 f5 30 Rb5 fe 31 Ke4 Rg8 32 Rb8 Kf7 33 Rg8 Kg8 34 c6.





## China Banks Are Ordered To Quit Other Business Lines

SHANGHAI — The People's Bank of China has ordered all commercial banks to divest themselves of their non-bank subsidiaries by the end of the year, the Financial News said Monday.

The newspaper, published by the central bank, said all such non-bank units that were not transferred by the end of the year would be shut.

Bankers said the order was a sign that the central bank was pushing ahead with plans to tighten supervision over the financial sector. One local banker pointed out that what distinguished the recent circular from previous orders was the clear deadline.

China had previously said that by the end of 1996, its four big state banks — the Bank of China, the Industrial and Commercial Bank, the Construction Bank and the Agricultural Bank — had largely completed a drive to spin off some 186 trust and investment firms.

The central bank has been trying to tighten regulation of the financial sector as a result of the Asian financial crisis, but investment companies are still a major problem area.

"This is a follow-up measure after the central bank ordered the separation of non-banking subsidiaries of the big four banks," a banker in Shanghai said.

### Financing for Banks Approved

The Chinese cabinet has approved a special bond issue worth 270 billion yuan (\$32.6 billion) to recapitalize state-owned banks, the Xinhua news agency said on Monday, Reuters reported from Beijing.

The Finance Ministry will issue the 30-year bonds, which will carry an annual interest rate of 7.2 percent.

Plans to support the country's big four banks, which are estimated to account for more than 90 percent of China's bank assets, were first unveiled in February. The banks are technically insolvent after years of lending to ailing state-owned enterprises.

Rules on trading of the bonds have yet to be drafted by the Finance Ministry and the central bank, Xinhua said.

## INTERNATIONAL MANAGER

# A New Kind of Star In Old Male Bastion

Lead Banker on TCI-AT&T Deal Proves  
Wall Street Is Not Just a Men's Preserve

By Joseph Kahn  
New York Times Service

NEW YORK — In the new professional ethos of Wall Street, backslapping has replaced bravado. Investment bankers talk up teamwork. Even big-name dealmakers, like star analyst, say they could never go it alone.

So it is only reluctantly, and a little brusquely, that Jill Greenthal, a banker at Donaldson, Lufkin & Jenrette who specializes in the media, speaks about the thing that makes her stand out from colleagues, competitors and most of her clients. That is, that she is a woman.

"I don't pay much attention to it; it's a fact of life," she said, studiously looking down and reserved. "For clients, it doesn't make a difference."

Increasingly, though, it does.

However hesitant Ms. Greenthal may be about calling attention to it, she was the lead banker for Tele-Communications Inc.'s recent agreement to be acquired by AT&T Corp. in a \$70 billion deal. And that work, which earned her firm a \$40 million fee, one of the largest of its kind, is a milestone of sorts for women in investment banking.

It was one of the few times that anyone in the business can recall a woman taking the lead role in a headline-grabbing public acquisition.

Ms. Greenthal, 42, has been in the investment-banking game for 15 years, longer than many of her female peers.

She has also carved out a niche advising the constantly agglomerating giants of the media and telecommunications world, where most deals are between men, brokered by men.

Now, Ms. Greenthal's work for TCI, the cable giant, has made her — she would say her team — a leading name in media mergers and acquisitions. The deal stood out for a few reasons, and not simply because of its size. One is the groundbreaking nature of the AT&T-TCI alliance, joining the busi-

nesses of communications and entertainment, cable and phone wires.

It is also significant, from Wall Street's perspective, because the Denver-based leaders of TCI — John Malone, the chairman, and Leo Hindery, president — make so many acquisitions that they generally act as their own bankers, rarely seeking outside advice.

"We typically don't hire bankers, John and I," Mr. Hindery said. "But we were talking about a fundamental change in TCI and we needed outside advice." He said a key factor in selecting Ms. Greenthal was that she had an ability to adapt her ways to suit hands-on clients. "She can listen as well as talk, react as well as initiate," Mr. Hindery said.

Does it matter that Ms. Greenthal is a woman? Mr. Hindery says it does, at least to him. "This was one of the largest fees ever paid, and it was important to me that it go to her," he said. "This is an industry that's full of aggressive people, most of them men. It needs more women to be successful."

The deal was far from Ms. Greenthal's first, of course. She worked at Smith Barney and Lehman Brothers before joining Donaldson, and has represented big clients before, including companies like US West and Comcast. But none had ever propelled her to center stage.

"I see many of the people who do deals in my business, and the percentage of women is extremely low," said Joelle Frank, who specializes in mergers and acquisitions for Abernathy, MacGregor & Frank, a public relations company.

Goldman, Sachs & Co.; Morgan Stanley Dean Witter & Co.; Allen & Co., and other investment banks do have women deal makers. Sitting across the table from Ms. Greenthal during negotiations between TCI and AT&T, in fact, was Katherine Dietze, a managing



Jill Greenthal of Donaldson, Lufkin & Jenrette: Playing up the team.

director of Credit Suisse First Boston who was part of the team advising AT&T — though not the team leader.

But Ms. Greenthal says she does not encounter many other women in her duties, especially as team leaders. The reason, she said, is probably the conflict between raising a family and being on call day and night.

"It should not really be an issue for women more than for men; family should be important for both," she said. "But I suppose it is harder for women. It takes a family that is really understanding."

Ms. Greenthal, who is married and has two children, said that while she had been unwilling to sacrifice everything for her career, the high-wire act of balancing job and family required extreme flexibility.

Her husband, Tom Eisenmann, was on a similarly demanding career track as a partner at the consulting firm of McKinsey & Co. But he opted to return to school, earning a doctorate at Harvard Business School, where he is now a tenure-track professor. The family moved to Boston from New York in

1994, and Ms. Greenthal now works out of Donaldson's Boston office, where she is the co-head.

"Because he was in the consulting business, he understands the lifestyle," Ms. Greenthal said of her husband, interrupting her summer vacation on Cape Cod to take a reporter's telephone call.

A native of Milwaukee, she considers her business career, a natural outgrowth of her business-oriented family life — her father and three siblings, all of them brothers, pursued corporate careers. When she graduated from Simmons College in 1978, she went straight to Harvard Business School.

It was between years at Harvard that she had her first taste of finance, working as a summer associate at Goldman, Sachs. She developed a specialty in media banking at Smith Barney and later joined the media department at Lehman, where she stayed for 10 years before joining Donaldson in 1996.

Her big break came in developing a relationship with TCI and some affiliate

See BANKER, Page 13

## U.S. Stocks Rise After 'Correction'

10% Fall Since July Seen  
As a Buying Opportunity

Compiled by Our Staff From Dupont Inc.

NEW YORK — U.S. stocks rose Monday as investors speculated that prices already reflect the economic turmoil in Russia and the recession across Asia.

"You've seen a 10 percent sell-off from the high in July," said Kirk Barneby, manager of the \$1.5 billion PaineWebber Tactical Allocation Fund, which is 100 percent invested in the Standard & Poor's 500 Index. "This represents a good buying opportunity."

Stocks around the world initially fell after the announcement from Moscow. But as investors considered the implications of the move, optimism grew that devaluation would avert a collapse of the Russian financial system, traders said.

While many Asian stock markets and currencies ended the day with losses, markets in Europe and the United States recovered after starting the day on shaky ground.

"The devaluation of the ruble is actually good news," Arthur Hogan, chief market analyst at Jefferies & Co. in Boston. "That shows a step in the right direction by their government to get a handle on their economy."

The Dow Jones industrial average closed up 149.85 at 8,574.85. Advancing issues led declining ones by a narrow margin. Du Pont led the gains among the Dow industrials on rumors that it is in talks to sell its Conoco oil unit to Elf Aquitaine of France. Elf declined to comment.

The Standard & Poor's 500-stock index rose 20.92 points to 1,083.67, while the Nasdaq composite index, which is dominated by computer-related companies, climbed 27.86, to 1,818.05.

Mr. Barneby, who uses computer models to decide whether to invest in stocks, five-year Treasury notes or 30-day Treasury bills, has been fully invested in stocks since June 1.

The damage to corporate profits from Asia's slump is not likely to get much worse, he said.

Companies probably will be able to

See MARKETS, Page 10

## Fall of the Ruble Tests Russian Fortitude

By Sharon LaFraniere  
Washington Post Service

MOSCOW — A half-dozen retired women were waiting in line at a wholesale market Monday morning when the frenzied owner of the kiosk ran up to his partner and shouted, "Raise the prices! Are you sleeping? Take down those prices!"

For a few moments, pandemonium reigned. The bewildered women, who earn a few rubles a day reselling cigarettes near subway stations, demanded an explanation.

"The owner shouted over the din, 'It's not our fault!'"

His partner ran out and pulled down the kiosk's metal awning, scattering the women in korchef. They eventually formed a new line at another kiosk.

Such scenes took place all over Moscow on Monday as the government, on the verge of bankruptcy, decided to let the ruble fall against the dollar. People clustered outside currency exchange offices, trying to figure out exactly how much poorer they had suddenly become. Some hurriedly spent their rubles, on the theory that holding goods was wiser than holding money.

Retailers raised prices by as much as 25 percent in the expectation that they would be charged that much more by wholesalers. Some bank offices closed. At least one branch of a major bank refused to allow depositors to withdraw dollars. The bank said it had none to give out.

What many Russians consider President Boris Yeltsin's biggest accomplishment — stability of the currency — was wiped away, and the uncertainty



Muscovites lining up to withdraw cash from an automated teller Monday.

that reigned here after the fall of communism in 1990 made a sudden comeback. People were all the more astonished and dismayed by the government's announcement because Mr. Yeltsin had assured them as recently as Friday, in the strongest terms, that the ruble would not be devalued.

"He just promised!" gasped one elderly woman, hearing the news at the wholesale cigarette market. "He has promised a lot of things," said another woman behind her in line. "On to the rails with him," volunteered a third.

"Of course we won't vote for him," said Lubov Alexandrovna Pesorena, a

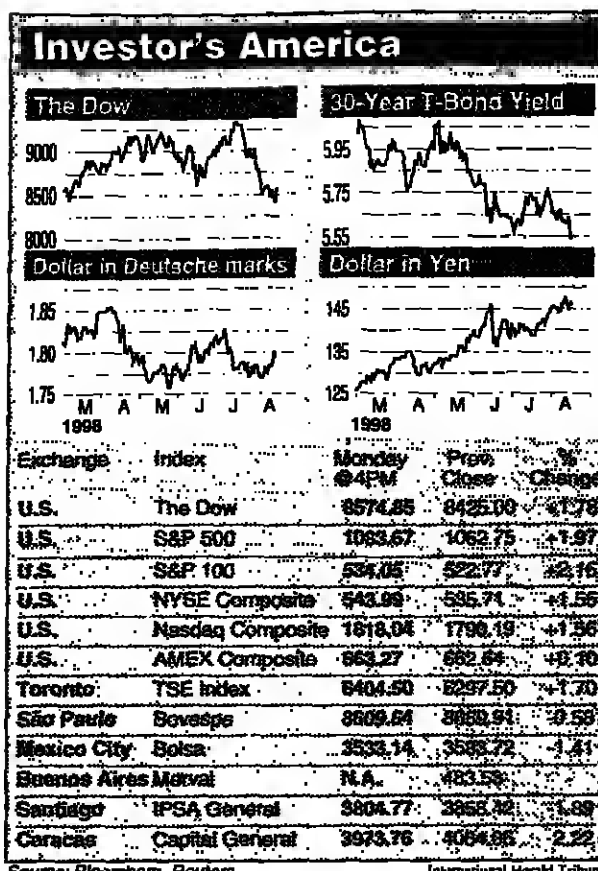
See SHOCK, Page 13

## CURRENCY & INTEREST RATES

Aug. 17									
Cross Rates									
	1	5	10	20	50	100	200	500	1000
Australia	2.28	11.40	22.80	45.60	91.20	182.40	364.80	729.60	1459.20
Canada	0.71	3.55	7.10	14.20	28.40	56.80	113.60	227.20	454.40
France	6.55	32.75	65.50	131.00	262.00	524.00	1048.00	2096.00	4192.00
Germany	1.36	6.80	13.60	27.20	54.40	108.80	217.60	435.20	870.40
Italy	1.36	6.80	13.60	27.20	54.40	108.80	217.60	435.20	870.40
Japan	109.00	545.00	1090.00	2180.00	4360.00	8720.00	17440.00	34880.00	69760.00
UK	1.65	8.25	16.50	33.00	66.00	132.00	264.00	528.00	1056.00
Switzerland	1.48	7.40	14.80	29.60	59.20	118.40	236.80	473.60	947.20
Sweden	8.40	42.00	84.00	168.00	336.00	672.00	1344.00	2688.00	5376.00
Spain	166.00	830.00	1660.00	3320.00	6640.00	13280.00	26560.00	53120.00	106240.00
South Africa	12.50	62.50	125.00	250.00	500.00	1000.00	2000.00	4000.00	8000.00
South Korea	170.00	850.00	1700.00	3400.00	6800.00	13600.00	27200.00	54400.00	108800.00
Taiwan	20.00	100.00	200.00	400.00	800.00	1600.00	3200.00	6400.00	12800.00
Thailand	50.00	250.00	500.00	1000.00	2000.00	4000.00	8000.00	16000.00	32000.00
US Dollar	1.00	5.00	10.00	20.00	40.00	80.00	160.00	320.00	640.00
Yen	109.00	545.00	1090.00	2180.00	4360.00	8720.00	17440.00	34880.00	69760.00
Aug. 17									
Libid-Libor Rates									
	1-month	3-month	6-month	9-month	12-month	18-month	24-month	36-month	48-month
US Dollar	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
UK	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
France	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Germany	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Italy	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Japan	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Canada	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Australia	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
South Africa	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
South Korea	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Taiwan	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Thailand	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
US Dollar	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Yen	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Aug. 17									
Key Money Rates									
	1-month	3-month	6-month	9-month	12-month	18-month	24-month	36-month	48-month
US Dollar	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
UK	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
France	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Germany	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Italy	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Japan	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Canada	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Australia	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
South Africa	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
South Korea	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Taiwan	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Thailand	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
US Dollar	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Yen	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Aug. 17									
Other Dollar Values									
	1	5	10	20	50	100	200	500	1000
Australia	2.28	11.40	22.80	45.60	91.20	182.40	364.80	729.60	1459.20
Canada	0.71	3.55	7.10	14.20	28.40	56.80	113.60	227.20	454.40
France	6.55	32.75	65.50	131.00	262.00	524.00	1048.00	2096.00	4192.00
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South Africa	12.50	62.50	125.00	250.00	500.00	1000.00	2000.00	4000.00	8000.00
South Korea	170.00	850.00	1700.00	3400.00	6800.00	13600.00	27200.00	54400.00	108800.00
Taiwan	20.00	100.00	200.00	400.00	800.00	1600.00	3200.00	6400.00	12800.00
Thailand	50.00	250.00	500.00	1000.00	2000.00	4000.00	8000.00	16000.00	32000.00
US Dollar	1.00	5.00	10.00	20.00	40.00	80.00	160.00	320.00	640.00
Yen	109.00	545.00	1090.00	2180.00	4360.00	8720.00	17440.00	34880.00	69760.00
Aug. 17									
Forward Rates									
	30-day	60-day	90-day	120-day	150-day	180-day	210-day	240-day	360-day
US Dollar	1.610	1.603	1.607	1.612	1.617	1.622	1.627	1.632	1.637
Canada	1.296	1.291	1.292	1.297	1.302	1.307	1.312	1.317	1.322
Switzerland	1.294	1.291	1.292	1.297	1.302	1.307	1.312	1.317	1.322
Denmark	1.294	1.291	1.292	1.297	1.302	1.307	1.312	1.317	1.322
Sweden	1.294	1.291	1.292	1.297	1.302	1.307	1.312	1.317	1.322
UK	1.294	1.291	1.292	1.297	1.302	1.307	1.312	1.317	1.322
France	1.294	1.291	1.292	1.297	1.302	1.307	1.312	1.317	1.322
Germany	1.294	1.291	1.292	1.297	1.302	1.307	1.312	1.317	1.322
Italy	1.294	1.291	1.292	1.297	1.302	1.307	1.312	1.317	1.322
Japan	1.294	1.291	1.292	1.297	1.302	1.307	1.312	1.317	1.322
Canada	1.296	1.291	1.292	1.297	1.302	1.307	1.312	1.317	1.322
Australia	1.296	1.291	1.292	1.297	1.302	1.307	1.312	1.317	1.322
South Africa	1.296	1.291	1.292	1.297	1.302	1.307	1.312	1.317	1.322
South Korea	1.296	1.291	1.292	1.297	1.302	1.307	1.312	1.317	1.322
Taiwan	1.296	1.291	1.292	1.297	1.302	1.307	1.312	1.317	1.322
Thailand	1.296	1.291	1.292	1.297	1.302	1.307	1.312	1.317	1.322
US Dollar	1.610	1.603	1.607	1.612	1.617	1.622	1.627	1.632	1.637
Yen	1.610	1.603	1.607	1.612	1.617	1.622	1.627	1.632	1.637
Aug. 17									
Gold									
	1-ounce	2-ounce	3-ounce	4-ounce	5-ounce	6-ounce	7-ounce	8-ounce	9-ounce
US Dollar	1.610	1.603	1.607	1.612	1.617	1.622	1.627	1.632	1.637
Canada	1.296	1.291	1.292	1.297	1.302	1.307	1.312	1.317	1.322
Switzerland	1.294	1.291	1.292	1.297	1.302	1.307	1.312	1.317	1.322
Denmark	1.294	1.291	1.292	1.297	1.302	1.307	1.312	1.317	1.322
Sweden	1.294	1.291	1.292	1.297	1.302	1.307	1.312	1.317	1.322
UK	1.294	1.291	1.292	1.297	1.302	1.307	1.312	1.317	1.322
France	1.294	1.291	1.292	1.297	1.302	1.307	1.312	1.317	1.322
Germany	1.294	1.291	1.292	1.297	1.302	1.307	1.312	1.317	1.322
Italy	1.294	1.291	1.292	1.297	1.302	1.307	1.312	1.317	1.322
Japan	1.294	1.291	1.292	1.297	1.302	1.307	1.312	1.317	1.322
Canada	1.296	1.291	1.292	1.297	1.302	1.307	1.312	1.317	1.322
Australia	1.296	1.291	1.292	1.297	1.302	1.307	1.312	1.317	1.322
South Africa	1.296	1.291	1.292	1.297	1.302	1.307	1.312	1.317	1.322
South Korea	1.296	1.291	1.292	1.297	1.302	1.307	1.312	1.317	1.322
Taiwan	1.296	1.291	1.292	1.297	1.302	1.307	1.312	1.317	1.322
Thailand	1.296	1.291	1.292	1.297	1.302	1.307	1.312	1.317	1.322
US Dollar	1.610	1.603	1.607	1.612	1.617	1.622	1.627	1.632	1.637
Yen	1.610	1.603	1.607	1.612	1.617	1.622	1.627	1.632	1.637
Aug. 17									
Silver									
	1-ounce	2-ounce	3-ounce	4-ounce	5-ounce	6-ounce	7-ounce	8-ounce	9-ounce
US Dollar	1.610	1.603	1.607	1.612	1.617	1.622	1.627	1.632	1.637
Canada	1.296	1.291	1.292	1.297	1.302	1.307	1.312	1.317	1.322
Switzerland	1.294	1.291	1.292	1.297	1.302	1.307	1.312	1.317	1.322
Denmark	1.294	1.291	1.292	1.297	1.302	1.307	1.312	1.317	1.322
Sweden	1.294	1.291	1.292	1.297	1.302	1.307	1.312	1.317	1.322
UK	1.294	1.291	1.292	1.297	1.302	1.307	1.312	1.317	1.322
France	1.294	1.291	1.292	1.297	1.302	1.307	1.312	1.317	1.322
Germany	1.294	1.291	1.292	1.297	1.302	1.307	1.312	1.317	1.322
Italy	1.294	1.291	1.292	1.297	1.302	1.307	1.312	1.317	1.322
Japan	1.294	1.291	1.292	1.297	1.302	1.307	1.312	1.317	1.322
Canada	1.296	1.291	1.292	1.297	1.302	1.307	1.312	1.317	1.322
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US Dollar	1.610	1.603	1.607	1.612	1.617	1.622	1.627	1.632	1.637
Yen	1.610	1.603	1.607	1.612	1.617	1.622	1.627	1.632	1.637
Aug. 17									
Notes									
	1-month	3-month	6-month	9-month	12-month	18-month	24-month	36-month	



## THE AMERICAS



## Very briefly:

- United Technologies Corp. said its Otis division, the world's largest elevator and escalator maker, bought back a 10 percent stake in its European unit from Mannesmann AG for undisclosed terms.
- Incyte Pharmaceuticals Inc. said it would buy Hexagen PLC, a closely held British research company, for about \$41 million in cash and stock as it seeks to keep pace with rivals in the race to map the human genetic code.
- Brazil's port of Santos, the country's largest, halted coffee exports as an eight-day strike by workers also slowed shipments of sugar, soybeans and other commodities.
- Microsoft Corp.'s co-founder, Paul Allen, has sold more than \$1.3 billion worth of the software company's common shares since May and plans to unload \$91 million more, a recent regulatory filing showed. Mr. Allen founded the company with Bill Gates.
- Toys 'R Us Inc.'s profit for the quarter ended Aug. 1 fell 57 percent from a charge from a year ago to \$15.9 million as the retailer failed to find a hit toy to help replace sales lost to discount chains.
- Liberty Corp. is to acquire KGBT-TV, a CBS affiliate in Hartington, Texas, for \$42 million.

## Clinton News Takes Toll On Dollar

NEW YORK — Russia's decision to effectively devalue the ruble prompted only a brief rally in the dollar on Monday, as concerns about President Bill Clinton's grand jury testimony about his alleged affair with a White House intern weighed heavily on the U.S. currency.

## FOREIGN EXCHANGE

move initially took the market off guard, sending the dollar to a high of 1.8124 Deutsche marks.

Many traders had already sold marks over the last week on talk that a devaluation was not far off, and the announcement Monday offered little new reason to continue selling the currency.

"We've had a good two weeks to take this bad news into the market picture," said Doug York, a fund manager at Campbell & Co. "Some people believe this will offer Russia some relief. There's a lot of demand for the mark."

While few currency dealers were convinced that Russia had put its woes behind it, the dollar managed to reverse its gains on anxiety over Mr. Clinton's testimony.

"The markets didn't see enough spark out of the Russian devaluation and proceeded to liquidate their long positions," said Robert DeLuca, chief dealer at Den Danske Bank.

"It's hard to be long dollars when the president is testifying."

The dollar was quoted at 4 P.M. at 1.7943 DM, compared with 1.8017 DM at the end of the day Friday. The dollar was at 145.955 yen, compared with 146.26.

Against other major currencies, the dollar fell to 6.0145 French francs from 6.0385. It fell to 1.5060 Swiss francs from 1.5080.

The pound fell to \$1.6160 from 1.6185. (Bloomberg, Bridge News)

## Las Vegas Gambles on Changing Its Image

By Edwin McDowell  
New York Times Service

NEW YORK — The city of Las Vegas had an advertising budget of \$27 million last year, almost 10 times that of the average state. No wonder, then, that Las Vegas drew almost 30.5 million visitors in the year.

Those visitors spent almost \$25 billion and filled 86.4 percent of the city's hotel and motel rooms.

Yet the impressive statistics mask some fundamental problems with the city's tourist industry, including falling hotel occupancy and competition from the many casinos that have sprung up elsewhere in recent years. So this fiscal year the Las Vegas Convention and Visitors Authority has launched an ambitious plan to reposition Las Vegas as an entertainment destination, rather than primarily a gambling resort.

Ross Ralenkotter, the vice president for marketing at the Convention and Visitors Authority said the repositioning was based on studies showing, for example, that as impressive as the room occupancy was in Las Vegas last year, exceeding the national average by almost 22 percentage points, it actually dipped to its lowest percentage since 1992 and fell 4 percentage points, from 90.4 percent, the year before. At

the same time, five big hotels scheduled to open within the next 16 months will add 20,000 more rooms to the existing 106,000-room inventory, putting added pressure on hotel occupancy and room rates.

Moreover, a decade ago only two states had legalized gambling (Nevada and New Jersey), while 30 states have it today. Within two years, some 90 percent of the American population is expected to have casino-style gambling within a 200-mile (320-kilometer) drive from home.

To add to the city's worries, 39 percent of visitors surveyed said they would have access to Las Vegas more often had they not had access to casinos closer to home. Among visitors with a propensity to gamble, surveys showed, the average number of visits to Las Vegas over a five-year period dropped from seven to 11.

Yet the most surprising finding, perhaps, was this: For the first time, more visitors (50 percent versus 48 percent) consider Las Vegas an entertainment resort than a gambling resort. It is in recognition of that fact that Las Vegas now intends to undertake what it describes as "the most dramatic change in its history," repositioning itself as a "world-class entertainment destination."

That is where the Las Vegas ad campaign comes in. Las Vegas will try to reposition itself as America's best vacation value for million-

aires as well as for those of modest means. Therefore, ads will gradually shift from image-driven to retail-oriented, and for the first time the consumer campaign will focus on such amenities as dining, shopping, recreation, entertainment, resorts, night life and special events.

The current tag line, "Open 24 Hours," will be retained on all destination advertising, while the slogan "It's Anything and Everything" will be used in print and electronic ads. Television commercials will carry both slogans, but also ask, "How Soon Can You Get Here?"

Where, then, does this re-emphasis leave gambling? The slot machines, card tables and roulette wheels of Las Vegas took in about \$5 billion last year.

"We're not neglecting gambling," said Mr. Ralenkotter of the Convention and Visitors Authority. "We're still the No. 1 gaming destination in the world, and still the No. 1 place where people want to go to gamble. So we're going to speak about the gaming side of Las Vegas in our promotional literature."

But, he added, "We need to let the traveling consumer know all the new things we've added, in the last five to seven years, like golf, spas, restaurants with national and international reputations, and shopping that's comparable anywhere in the world."

## MARKETS: After a 'Correction,' Buyers Hunt Bargains

Continued from Page 9

increase profits "given the continued low level of inflation and a relatively low level of short-term interest rates," he said.

The price of the benchmark 30-year Treasury bond closed with a slight loss of 2/32, at 99 11/32, leaving the yield unchanged at 5.54 percent.

Personal computer stocks rose as investors speculated that demand is healthy and the industry has worked off the inventory that piled up earlier this year.

Apple Computer shares rose after retailers said Apple's new iMac home computer debuted to strong sales over the weekend.

Semiconductor and semiconductor equipment stocks rose on optimism that the worst may be over for the industry, which has been hit by falling prices, slowing demand and oversupply from Asian producers.

Prices for dynamic random-access memory are rising, "which leads people to believe that we're at the bottom," said Hans Mosemann, who follows the industry for Prudential Securities Inc.

Stocks began slumping in mid-July on concern that prices were higher than justified by the outlook for profit growth given Asia's recession and the slowdown in U.S. growth. Those concerns were compounded in recent days by a cash crunch in Russia that led to a devaluation of the ruble Monday. The S&P 500 through Friday fell 10.5 percent, a decline of more than 10 percent in Wall Street parlance, a "correction" in a bull market.

Optimistic investors are counting on the resilience of the U.S. economy to keep the bull market going.

"Russia, Asia, and the price levels generate a high level of anxiety every few weeks," said George Cohen, chief investment officer at Cohen, Klingenstein & Marks, "but the economy remains healthy; with employment, income and spending high."

(Bloomberg, AP)

## Waste Giant Plans \$1.3 Billion Deal

Bloomberg News

HOUSTON — Waste Management Inc., the largest U.S. waste-disposal company, said Monday that it had agreed to buy Eastern Environmental Services Inc. for about \$1.3 billion in stock in a move to expand on the East Coast.

Waste Management, which is based in Houston, will pay 0.6406 of a share for each share of Eastern Environmental.

Eastern Environmental shares fell \$1.375 to \$30.625, while Waste Management fell \$1.3125 to \$31.375.

Waste Management is buying a company similar to itself, only smaller.

Two years ago, Eastern was a slow-growing handler of hazardous and non-hazardous waste until, after a change in management, it began buying up waste companies with big shares of local markets along the East Coast.

The acquisition comes on the heels of a much larger transaction in which U.S. Waste Services Inc., the third-largest U.S. waste-disposal company, bought Waste Management Inc., the largest, for \$24.9 billion, and took the Waste Management name.

The Trib Index				
Prices as of 3:00 P.M. New York time.				
	Level	Change	% Change	Year to date % Change
World Index	185.20	+1.51	+0.82	+7.61
Regional Indexes				
Asia/Pacific	71.48	-0.87	-1.20	-25.60
Europe	223.11	+0.40	+0.18	+15.58
N. America	248.80	+5.71	+2.35	+15.19
S. America	109.60	-2.04	-1.83	-28.21
Industrial Indexes				
Capital goods	252.03	+3.73	+1.50	+22.01
Consumer goods	223.76	+3.33	+1.51	+6.89
Energy	187.13	+0.80	+0.43	-4.02
Finance	131.51	-0.05	-0.04	+6.95
Miscellaneous	141.99	-1.12	-0.78	-5.26
Raw Materials	168.02	+0.79	+0.47	+0.47
Service	197.87	+1.54	+0.78	+13.52
Utilities	157.58	-0.72	-0.45	-5.57

The International Herald Tribune World Stock Index tracks the U.S. dollar value of 280 internationally investable stocks from 25 countries.

Compiled by Bloomberg News.

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<p>Normal Rates: 09:00-17:00 US: 09:00-17:00 Fax: 0505-610025</p>				

## AMEX

Monday's 4 P.M. Close  
The 200 most traded stocks of the day, up to the closing on Wall Street.

Stock	Price	High	Low	Open	Change
AMC	34	35	33	34	+1
APOL	20	21	19	20	+1
ATM	10	11	9	10	+1
ATW	10	11	9	10	+1
ATX	10	11	9	10	+1
ATY	10	11	9	10	+1
ATZ	10	11	9	10	+1
ATB	10	11	9	10	+1
ATC	10	11	9	10	+1
ATD	10	11	9	10	+1
ATE	10	11	9	10	+1
ATF	10	11	9	10	+1
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ATV	10	11	9	10	+1
ATW	10	11	9	10	+1
ATX	10	11	9	10	+1
ATY	10	11	9	10	+1
ATZ	10	11	9	10	+1
ATB					



## EUROPE

## Shell to Join Automakers To Develop A 'Green' Car

Bloomberg News

LONDON — Royal Dutch/Shell Group, the world's biggest publicly traded oil company, said Monday it had agreed to supply fuel-cell technology to a group of automakers led by Daimler-Benz AG. The technology converts liquid fuel into a hydrogen-rich gas, which is then used by the engine. The technology is being developed by the United States and Ballard Power Systems Inc. of Canada would convert the gas to electricity in fuel cells they are developing to power a new generation of "green" cars.

The agreement will advance the car companies' efforts to introduce a new car powered by fuel cells by 2004 to help cut emissions that damage the atmosphere.

For Shell, the agreement reflects an increasing emphasis on investing in environmentally friendly energy technologies. By 2050, Shell executives expect that half the world's energy could come from renewable energy forms such as solar and wind power.

Last year, Shell said it would spend \$500 million during the next five years to develop renewable energy. Shell did not disclose the financial terms of the agreement.

Daimler, Ford and Ballard's fuel-cell technology is one of the most promising now being developed to make environmentally friendly autos.

Shell's statement said the fuel cell can provide vehicles with "at least the same performance as traditional" autos. Cars running on hydrogen do not produce pollutants such as carbon dioxide and nitrous oxide, which scientists say cause a warming of the Earth's climate. Exhaust from the fuel cell is water.

The Shell technology involved is its proprietary Catalytic Partial Oxidation, which can convert liquid fuels — gasoline or diesel — into a hydrogen-rich gas that is consumed by the car's fuel cells.

Shell said the result could be a car that has the environmental advantages of fuel-cell power plus the convenience of filling up at an existing gasoline station.

## Strong Sales Gains Lift Roche Net

Compiled by Our Staff From Dispatches

BASEL, Switzerland — Roche Holding AG said Monday that its first-half net profit rose 3 percent, bolstered by higher-than-anticipated income from investments and advancing drug sales.

The drug company said net income rose to 2.5 billion Swiss francs (\$1.66 billion) from 2.43 billion francs a year earlier.

While increased marketing costs held back operating profit, the company posted 21 percent growth in drug sales — higher than rivals such as Merck & Co. Roche, which is based in Basel, also benefited from cost cuts after buying the German diagnostics company Boehringer Mannheim GmbH and Tasmatek Inc., an American franchise company, in 1997.

"Operating profit was a bit dis-

appointing, but the bottom line was better than expected," said Peter Stenz, a fund manager at Vontobel Holding AG. "I remain convinced that Roche remains a promising investment."

The non-drug sales of Roche, which is family controlled, rose 315 francs, to 15,855, in a falling Swiss market.

Operating profit rose 6 percent, to 2.18 billion francs, while sales jumped 35 percent, to 12.53 billion francs, lifted by the purchases of Boehringer and Tasmatek, Roche said. Drug sales rose 21 percent, to 7.27 billion francs, and rose 23 percent expressed in local currencies, the company said.

Income from investments, at 899 million francs, was almost twice as high as some analysts were expecting. Financial income

was expected to plummet from the 925 million francs recorded last year because the company accumulated debt of 9 billion francs as part of its acquisitions.

"Drug sales growth was rather promising, and financial income was much higher than expected," said Beat Alpiger, an analyst at Bank Julius Baer & Co. "Still, Roche will have to prove that it made sense to raise marketing costs."

The chief executive of Roche, Franz Hummer, said he expected profit for the full year to grow in line with performance in the first half.

Officials at Roche declined to comment on suggestions that the company could merge with Astra AB of Sweden to form the world's biggest drug company.

(Bloomberg, Reuters)

## New Accounts Pump Up Profit at WPP

Compiled by Our Staff From Dispatches

LONDON — WPP Group PLC, the world's second-largest advertising agency, said Monday that first-half net income rose 19 percent, fueled by new business from clients such as Siemens AG, Kimberly-Clark Corp. and Merrill Lynch & Co.

Profit rose to \$61.6 million (\$99.6 million) from \$51.7 million a year earlier. Analysts expected earnings per share between 7.8 pence and 8.7 pence.

WPP Group, second to the Omnicom Group Inc. of the United States, makes about 40 percent of its sales in the United States, where a strong economy has helped support advertising spending. Growth

in Continental Europe has also brought gains, which the company said more than compensated for economic trouble and currency declines in some Asian countries.

"The numbers are bang in line with our top-of-the-range estimates, and they released a reassuring statement," said David Forster, an analyst at Salomon Smith Barney. He said he did not expect to change his forecast for pretax profit of £209 million for the full year.

WPP shares, which had risen 50 percent so far this year to a peak of 470 pence in the middle of July, closed Monday in London at 401 pence, down 3 pence.

"The results were very good,"

said Lorna Tilburn, media analyst at Pannum Gordon. "It's just a bad day to announce them, really. Almost everything in the sector's down, and companies without good results are down even more."

WPP's shares have fallen from their peak because of worries that advertising agencies would be among the first casualties of any sustained economic slowdown.

But the agency's chief executive, Martin Sorrell, said he expected to keep WPP's pretax profit growth at about 20 percent, adding that prospects for the rest of the year looked similar to the first half.

"There's no sign yet of slowdown," Mr. Sorrell said.

(Bloomberg, Reuters)

## Price Index In Germany Drops in July

Bloomberg News

WIESBADEN, Germany — The German government said Monday that wholesale prices had fallen 0.9 percent in July from June, confirming that inflationary pressures remain absent from the economy.

Wholesale prices, pulled lower by fish and vegetable prices, fell 2.0 percent from the same period a year earlier, the Federal Statistics Office said, more than most analysts had predicted. Prices in June had fallen 0.4 percent from May and 2.2 percent from a year ago.

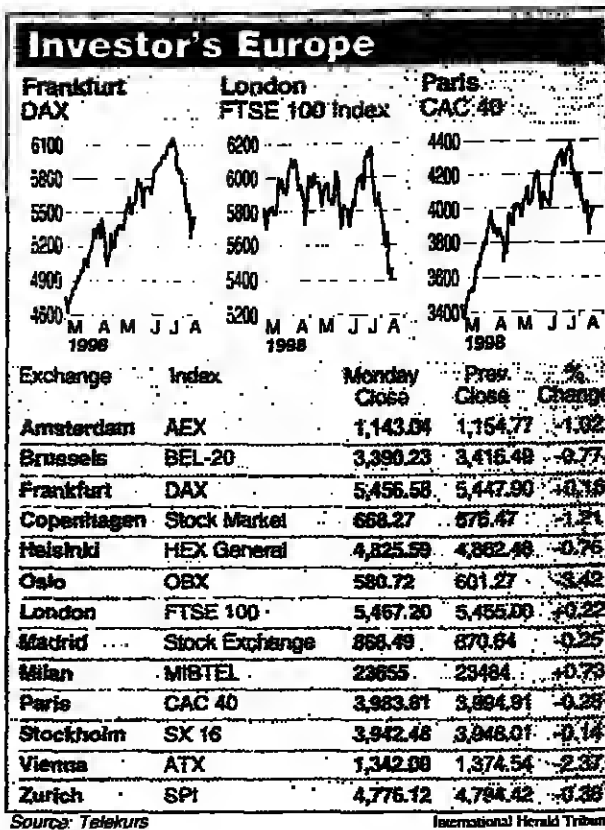
"Goods-price inflation is in hibernation," said Catherine Lee, an economist at Greenwich Natwest in London. "The underlying WPI is likely to edge down further in the next few months before bottoming toward year-end, assuming no further collapse in oil and commodity prices."

The annual inflation rate dropped to a 10-year low of 0.5 percent in July and has not exceeded 1.5 percent since the start of the year.

The low-inflation climate has cemented expectations that the Bundesbank will not raise interest rates when central bank officials reconvene Thursday after a month-long break. Rates were last raised on Oct. 9, 1997.

The drop in wholesale prices "confirms that there is nothing to worry about on the inflation front for the next few months," said Stefan Schneider, an economist at Banque Paribas in Frankfurt.

The decline in July prices was led by a 16.7 percent drop in prices of fish products and a 16.2 percent decline in fresh vegetable prices. Prices of oil products fell 5.7 percent.



## Very briefly:

• The European Union's gross domestic product rose 0.6 percent in the first quarter, after a 0.7 percent increase in the fourth quarter of 1997, the EU statistical agency said. But the report presented a worsening trade picture, with the trade surplus making up 1.9 percent of GDP, down from 2.6 percent in the previous quarter, as exports edged up just 0.2 percent and imports grew by 2.1 percent.

• Groupe Air France SA said the June 1-10 strike by Air France pilots had cost it 1.6 billion francs (\$265 million) in lost sales and would cut profit for the financial year to March 1999 by 1 billion francs.

• Braathens ASA, Norway's largest domestic airline, agreed to buy Malmö Aviation AB, the third-largest airline in Sweden, for 600 million Swedish kronor (\$74 million), in a move that would boost to one-quarter its share of the Swedish market.

• Exchange Technology Holdings Ltd. of South Africa agreed to buy Bendata Inc., a developer and marketer of customer-service software for businesses, from Asta International Inc. of the United States for \$43 million.

• Stagecoach Holdings PLC confirmed a report in the Times of London that it had suffered a paper loss of £36 million (\$58.4 million) on its 20 percent stake in Road King Infrastructure, a Chinese toll-road operator, but said it remained positive on its holding, noting that Hong Kong-based brokers rated Road King shares as a "buy."

• Hentys Group PLC, the British bus manufacturer, said its shareholders had unanimously approved its recommended cash and share offer to Dennis Group PLC. The offer values Dennis at £286.9 million and exceeds a rival bid made by Mayflower PLC.

• Britain's Electricity Supply Pension Scheme split its £19 billion pension fund, leaving Foreign & Colonial Management Ltd., which previously controlled almost all the portfolio, with two-thirds of the fund, which is worth about £13 billion.

(Reuters, AP, Bloomberg)

## Schimmelbusch Returns to Frankfurt

Reuters

FRANKFURT — Heinz Schimmelbusch, the controversial former head of Metallgesellschaft AG who came under scrutiny for his role in the firm's near collapse in 1993, announced his return to corporate Germany on Monday.

Mr. Schimmelbusch, who is a managing director of Safeguard International Fund LP, a private U.S.-based equity fund, revisited Frankfurt to announce the opening of the

new European headquarters of his company.

"Frankfurt appeared to be the logical place to locate the satellite office just around the corner from his former company's headquarters."

Mr. Schimmelbusch, who now resides in Pennsylvania, where Safeguard is based, is best known in Germany for his role in oil futures trades that nearly led to Metallgesellschaft's demise. That company was subsequently

bailed out, reduced and restructured.

Last April, Frankfurt prosecutors ended an investigation into Mr. Schimmelbusch's management of the once mighty industrial conglomerate after he and the former chief financial officer agreed to pay fines totaling 900,000 Deutsche marks (\$499,556). Both men had been accused of breach of trust in pursuing oil futures trades that soured when oil prices unexpectedly fell.

## WORLD STOCK MARKETS

Monday, Aug. 17

Daily prices in local currencies

High Low Close Prev.

Tel Aviv

Tel Aviv 25 Index: 277.50

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NYSE

**Monday's 4 P.M. Close**  
The 2,400 most traded stocks of the day.  
Nationwide prices not reflecting late trades elsewhere.  
The Associated Press.

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## ASIA/PACIFIC

Kia Motors  
Announces  
Record Loss

**Bloomberg News**  
SEOUL — Kia Motors Corp. on Monday reported a record loss of 4.24 trillion won (\$3.2 billion) for the first half of the year as the automaker struggled to repay debt.

The carmaker's loss widened from 36.99 trillion won in the first half of 1997.

The company's loss per share rose to 55.919 won from 489 won. First-half sales dropped 30.8 percent to 2.347 trillion won.

Kia Motor's debt totaled 9.481 trillion won at the end of June, or 2.5 times its capital.

In July creditors said they would waive interest payments on debts for about five years in order to attract potential buyers. The decision to waive interest, rather than write off debts, may make it harder for the car company to find those buyers.

Kia Motors wrote off about 3 trillion won in car loans still owed by its customers. Faced with slowing domestic car sales, it offered interest-free credit to customers on some cars early last year.

The company's shares fell 50 won to close at 770 won.

**Police Remain at Hyundai**

South Korean police were poised on Monday to evict about 5,000 workers and relatives who have occupied a Hyundai Motor Co. plant for almost a month, Reuters reported from Ulsan.

Outside the factory, thousands of other workers rallied in support of the company's position in the labor dispute, which has crippled the nation's biggest carmaker, the company said.

A spokeswoman for President Kim Dae Jung denied that the government was considering sending in the police to remove the occupying workers, who are trying to prevent mass layoffs by the company.

But local news media said the police could move as early as Tuesday if the dispute is not resolved.

## Japan Firms Plan Spending Cuts

**Bloomberg News**  
TOKYO — Nissan Motor Co., NEC Corp. and other companies plan to spend less on factories, offices and equipment this year, a sign they expect sales to stumble through 1998, according to a survey of executives issued by the Economic Planning Agency on Monday.

The companies will cut capital spending 0.1 percent in 1998, the first annual decline in three years and down from a 3.8 percent rise in 1997. The companies said they would reduce investment 1.5 percent in the second half of 1998 from the same period a year earlier, the first drop since the first half of 1995. They probably increased capital spending 1.2 percent in the first half of this year.

While managers are trimming

capital investment plans, they see some improvement in overall conditions by the end of the year.

Business confidence for the July-September quarter improved, although it still remained weak. The business sentiment index, compiled by surveying managers at more than 4,500 companies, was minus 26 in the quarter. That was better than the minus 55 in the previous quarter, which was the lowest figure in almost six years.

Spending on computers and other electronics in Japan and Asia have tumbled in the past year as consumers brace for longer-than-expected recessions. That has sapped demand for dynamic random-access memory chips made by NEC, Toshiba Corp., Hitachi Ltd. and others, and sales of more sophisticated and profitable large-

scale integrated logic microchips "aren't good either, particularly in Asia," said an NEC spokesman, Makoto Miyakawa.

Japan's five largest electronics makers — NEC, Toshiba, Hitachi, Fujitsu Ltd. and Mitsubishi Electric Corp. — are expected to cut capital spending by 225 billion yen (\$1.54 billion), or 30.6 percent, in the year ending March 31, 1999.

Automobile and truckmakers including Mitsubishi Motors Corp. and Nissan will also trim spending as they try to boost profits and cut costs. Electric utility and telephone makers including Tokyo Electric Power Co. and NTT Corp. will also spend less.

Manufacturers plan to invest 1.3 percent more in 1998 than the year earlier, while service companies will likely spend 0.9 percent less.

Malaysia  
Blames West  
For Turmoil

**Compiled by Our Staff From Dispatches**  
KUALA LUMPUR — Deputy Prime Minister Anwar Ibrahim said Monday that the global financial system was flawed and would be the main stumbling block to Asia's recovery efforts.

Echoing Prime Minister Mahathir bin Muhammad's view that foreigners were largely responsible for Asia's troubles, Mr. Anwar said the West lacked the moral conscience to overcome the problems.

"The entire international arrangement is lopsided. It's bent on favoring rich economies but the poor are marginalized," he said in a speech to Muslim scholars and business leaders from Asia, Africa, Europe and America.

"In times of turmoil, the richest of countries benefit the most but you don't expect ground rules to change," he said. "To them, this is not a moral issue but the dollar issue."

"The sudden surge in capital flows show how currency traders and international hedge funds can drastically create real havoc" for countries' currencies, he added.

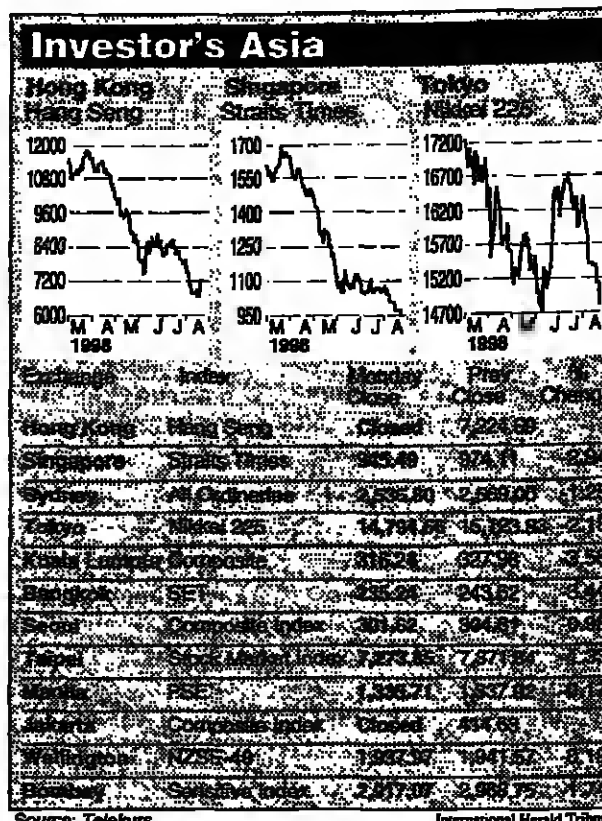
Mr. Mahathir has repeatedly lashed out at foreign capitalists, accusing them of driving down the ringgit, Malaysia's currency, and impoverishing the nation.

Mr. Anwar, who is also finance minister, has typically been more restrained in his comments and had previously called for a fight against corruption.

But with the recent repudiation of his tight fiscal and monetary policies and the emergence of apparent strains with Mr. Mahathir, Mr. Anwar seems to have adjusted his rhetoric.

Mr. Anwar said Monday that Malaysia was facing its most difficult period since World War II.

But he added that the once vibrant economy, which for a decade until last year had grown by at least 8 percent a year, would re-emerge stronger.



## Very briefly:

- Japan Air Lines Co.'s president, Isao Kaneko, said that the airline paid off racketeer extortionists for eight years and disguised the money as payments for potted plants. Police have arrested two persons on racketeering charges. One member of the airline's board of directors has resigned. Mr. Kaneko will have his pay cut by 50 percent for four months.
- Burns, Philp & Co., an Australian food company that has been trying to stave off bankruptcy, reduced its bank debt and negotiated a new three-year financing facility.
- Mando Machinery Corp., which makes 60 percent of South Korea's car parts, was hit by a three-day strike by union members angered at the company's plans for layoffs. Mando is in talks with the Delphi Automotive Systems affiliate of General Motors Corp. about a possible cash injection.
- Hitachi Ltd., Japan's largest electronics company, plans to reorganize by June 1999 in an effort to return to profitability. Each of Hitachi's major divisions is to be given strategic independence. Fewer decisions, therefore, will be taken by the board, which is to be reduced from its current 30 members.
- Moody's Investors Service Inc. cut Mitsubishi Electric Corp.'s long-term and short-term credit ratings.
- Thailand will delay floating the first tranche of its planned \$5 billion in offshore bonds. "The reason for the delay is that the spread is very high," the deputy finance minister, Pisit Leatham, said.

## Ailing Bank Won't Get Aid, Obuchi Says

**Compiled by Our Staff From Dispatches**  
TOKYO — Prime Minister Keizo Obuchi denied on Monday a report that the government was considering using public funds to promote a merger between Long-Term Credit Bank of Japan Ltd. and Sumitomo Trust & Banking Co.

"There is no such a report," Mr. Obuchi said in Parliament. He was replying to a question asked by a member of an opposition party at a meeting of the lower house's budget committee.

The daily Yomiuri Shimbun, which had published the report, also said in its evening edition that Long-Term Credit Bank would announce drastic restructuring measures as a condition for the use of public funds, while a bank spokesman told Bridge News he could not confirm any part of the report.

Analysts say the bank has only two options — collapse or merge. With the government's repeated promises to shake out an increasingly fragile banking industry, mar-

ket and international attention has fallen on Long-Term Credit Bank, seen as one of the sickest of the six.

It has lost business because of increased use of capital markets by corporations for fund-raising, while its financial health has been hurt by mountains of bad loans. In May, it said it had 1.38 trillion yen (\$9.43 billion) worth of problem loans as calculated under U.S. accounting models.

"How much of a blow a LTCB failure would be to the financial system is uncertain," said one analyst. "There are no politicians willing to take such a risk."

On Monday, domestic concerns over banks and economic recession were heightened, pushing down the Nikkei 225 stock index below the psychologically significant barrier of 15,000 for the first time since June 17.

The Nikkei average closed down 218 points, or 329.27 points, on Monday at 14,794.66.

(Bridge News, Reuters)

## Colonial to Buy Prudential Operations

**Compiled by Our Staff From Dispatches**  
SYDNEY — Colonial Ltd., an Australian insurance, fund-management and banking company, said Monday it was buying the Australian and New Zealand operations of Prudential Corp. for 1.35 billion Australian dollars (\$805.9 million). Colonial is still digesting the purchase in May of the Australian op-

erations of another major British company, Legal & General PLC.

Analysts said they were wary of Colonial launching into two large acquisitions so quickly. Standard & Poor's Corp., the ratings agency, put the Colonial Group's various ratings on "negative outlook" because of the probable need to take on new debt. (Reuters, Bloomberg, AFP)

## SHOCK: Collapse of the Currency Tests Russians' Fortitude

Continued from Page 9

The exact value of a ruble was impossible to ascertain. One bank teller offered a rate of 6.3 rubles to the dollar. A currency exchange office demanded 9.5 rubles to a dollar. Many had no dollars to sell.

Ana Babaitseva leaned against a sign declaring a rate of 8.5 rubles to the dollar just outside the currency exchange office where she works in a market. "We are in shock," she said simply. "It's a general panic."

Alexei Khokhlov, a 21-year-old guitarist, said he arose from bed and walked around the center of Moscow for a solid hour comparing rates before he finally purchased \$250 with his rubles. He bought the dollars, he said, because that was what his parents did in the early '90s to protect themselves from the runaway inflation that destroyed many people's savings then.

For business people, how to handle the ruble's new status was more complex. A woman who gave her name only as Valentina, who distributes Mary Kay cosmetics in the provinces, came to her bank to deposit \$800 and was told she could not transact the business until Thursday.

Her sales crew collected that

\$800 from customers who are now awaiting their cosmetics. But Valentina said she knows she will now have to pay her Mary Kay supplier more in rubles. So someone below her in the chain, and ultimately the customers, must chip in more. She said she was not certain how it would be sorted out.

"I just don't know what to do," she said. "I'm very worried, very worried. I will have to get used to this psychologically."

At an electronics market, Sergei Yaroshenko, clearly frazzled, called exchange offices on his mobile phone in an attempt to determine what to charge a customer for a stereo system. "I have to insure myself," he told the customer. "Everyone else is insuring himself. Everybody's afraid."

His customer, a 54-year-old economist, of all things, was furious.

"I was planning on buying yesterday, but I didn't get around to it, and you see what happened. Now it's more expensive. That's what is called inflation," he said.

He stalked away from the cramped stall, 50 rubles short of the new price.

"I feel sorry for myself, I feel sorry for all of us, that the country

fell into such a situation," he said. "This is a great example of when even a great country becomes completely dependent on imports."

Other salespeople at the electronics market said prices were up 30 percent to 35 percent.

One merchant who sells cigarettes from a kiosk did not bother to open, saying he had no idea what to charge because he did not know what might happen in the next two hours. At a Reebok store, a sales manager said he would wait at least a day to raise prices, because buyers, seeing a stable price, might purchase more.

At the banks, there was no panic. But some depositors said they were unimpressed with the government's pledge to pump money into the 12 biggest banks, so they closed their accounts.

At least one branch of Bank Rossiyskiy Kredit was shut even though the bank is on the government's survival list. At a branch of SBS-Agro, one of the country's largest banks, reporters were told they could not withdraw dollars from their accounts.

Asked if she was afraid of losing her money, Victoria Yuzhbasova, who stopped in SBS-Agro for a routine transaction, said: "All is possible. In our country, all is possible."

Drug Approval  
Eased in Japan

**Bloomberg News**

TOKYO — The Ministry of Health and Welfare said Monday it would allow pharmaceutical companies to submit foreign clinical test data as part of the approval process for new drugs, paving the way for foreign companies to step up their presence in Japan's highly regulated medical market.

The ministry will still require additional domestic testing, primarily to check the suitability dosage for the Japanese population, said Toshiyoshi Tominga, deputy director of the ministry's evaluation and licensing division, but the new policy should cut years off the clinical trial period.

Foreign companies and Japanese companies with overseas subsidiaries will benefit most, analysts said, because conducting patient trials in Japan is difficult and expensive.

"It'll help the whole industry, but relatively speaking it'll help foreign companies more," said John Wilson, senior analyst at HSBC Securities (Japan) Ltd.

## BANKER: Wall St. Dealmaker With a Difference

Continued from Page 9

companies. In 1995 and again in 1997, she helped TCI set up tracking stocks for the sometimes oddball collection of companies that Mr. Malone spun off from the TCI mother ship. (Tracking stocks are investment vehicles that reflect the performance of part of a business without conferring ownership rights.)

The prelude to the big TCI deal came earlier this year, when Mr. Hindery recruited Ms. Greenthal to advise the company on a much smaller business link-up. TCI and AT&T were thinking about becoming partners in At Home Corp., an on-line TCI affiliate.

In the course of those talks, Mr. Malone and Michael Armstrong, the chairman of AT&T, agreed instead upon a full acquisition of TCI. At that point, TCI kept Ms. Greenthal and the Donaldson team as its only banking team, surprising some people on Wall Street who had considered Merrill Lynch & Co. to be TCI's leading bankers.

There are no secrets to being a good banker, male or female, Ms. Greenthal said. But if she emphasizes one thing, again invoking the new Wall Street mantra, it is teamwork.

She calls attention to her partnership with Dennis Leibowitz, Donaldson's leading media analyst. Mr. Leibowitz has closely followed trends in media and telecommunications, and has been involved in many of the same deals Ms. Greenthal has worked on, only from the analyst's side. A report he wrote last spring sought to decipher the structure and strategy of TCI, one of the media

world's most complex companies, in part because of its many spin-offs and tracking stocks.

"I came to DLJ in large part because of Dennis," she said, adding that clients count on research analysts to cover their company closely, and inform investors, especially after the bank arranges a key transaction for the company. "A strong research analyst can be very helpful in generating business."

Mr. Leibowitz calls their banking relationship "love at first sight." He said he took the initiative to lure her to Donaldson, where the two have formed a banking-analyst partnership on most of the big deals the firm has undertaken in the media field.

Mr. Hindery also emphasizes teamwork when describing why he chose Donaldson as his lead bank. He said one of Ms. Greenthal's strongest attributes was running a tight organization and concentrating her colleagues' energy on a common goal. For the TCI-AT&T deal she led a group of 10 bankers. "It's like Normandy," he said. "You've got to get all these people focused on one target in a hurry."

There is no way of telling whether Ms. Greenthal, or any other investment banker, can hope to achieve many monster payouts like the \$40 million fee she brought home for Donaldson. But Ms. Greenthal says she sees nothing that would take her away from her banking career now, particularly because she views the TCI-AT&T deal as opening the path to copycat mergers in an industry eager to embrace the next trend.

"The reverberations," she said, "are just starting to be felt."

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4	By Cash	25.00		75.00
5	To Cash		25.00	100.00
6	By Cash	10.00		65.00
7	To Cash		10.00	75.00
8	By Cash	5.00		60.00
9	To Cash		5.00	65.00
10	By Cash	3.00		57.00
11	To Cash		3.00	60.00
12	By Cash	2.00		58.00
13	To Cash		2.00	60.00
14	By Cash	1.00		59.00
15	To Cash		1.00	60.00
16	By Cash	0.50		59.50
17	To Cash		0.50	60.00
18	By Cash	0.25		59.75
19	To Cash		0.25	60.00
20	By Cash	0.10		59.90
21	To Cash		0.10	60.00
22	By Cash	0.05		59.95
23	To Cash		0.05	60.00
24	By Cash	0.02		59.98
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26	By Cash	0.01		59.99
27	To Cash		0.01	60.00
28	By Cash	0.00		60.00
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30	By Cash	0.00		60.00
31	To Cash		0.00	60.00
32	By Cash	0.00		60.00
33	To Cash		0.00	60.00
34	By Cash	0.00		60.00
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97	To Cash		0.00	60.00
98	By Cash	0.00		60.00
99	To Cash		0.00	60.00
100	By Cash	0.00		60.00

**Monday's 4 P.M. Close**  
(Continued)

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**August 17, 1998**

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**WORLD ROUNDUP**

**After 6 Months, Tourney Resumes**

**GOLF** The AT&T Pebble Beach National Pro-Am resumed Monday more than six months after it began. The tournament started on Jan. 29, but was suspended Feb. 2 after rain had washed out two days' play. It resumed with Tom Watson and Tim Herron tied for the lead.

Of the 168 pros who started, 135 were expected to return to Pebble Beach for the final round.

Among those not returning was Vijay Singh, who won the PGA Championship Sunday.

The AT&T tournament chartered a plane to take players from Seattle, site of the PGA, to Monterey Sunday night. Those continuing to the next tour stop, the International in Denver, were due to get another chartered flight Monday night.

Watson missed the cut at the PGA Championship and flew down to Pebble Beach early. (AP, LAT)

**Ohio State Tops Poll**

**COLLEGE FOOTBALL** Ohio State University will start the season ranked No. 1 in The Associated Press poll. The Buckeyes received 30 first-place votes and 1,668 points from the 70 voters, edging No. 2 Florida State by five points.

The Seminoles received 22 first-place votes and 1,663 points. Florida, with five first-place votes and 1,547 points, is third, followed by Nebraska and Michigan. (AP)

**Questions for Cofidis**

**CYCLING** An official for the Cofidis team is to be questioned in Bordeaux Tuesday over a seizure by French customs on Aug. 9. French customs stopped a team van returning from the San Sebastian classic in Spain and seized medical products. These were "restorative products," said Bernard Quisen, team director of Cofidis. "They were Italian products which the customs didn't recognize." (AFP)

**Enis and Bears Do Deal**

**FOOTBALL** Curtis Enis, the Chicago Bears' top draft pick, has reached a tentative three-year contract, his agent said Monday.

Some details on the signing bonus were being worked out, said Greg Feste, Enis's agent. The contract is worth \$5.6 million over three years, with a \$3.6 million signing bonus. There also is an option for a fourth year, Feste said.

Bears officials could not be reached for comment. Enis was a star running back at Penn State. Meanwhile, a Dallas grand jury was scheduled to meet Monday to review a sexual assault complaint filed May 30 against Enis by an Irving, Texas, woman. (AP)

**Singh Wins PGA Championship by 2 Shots**

**Years in Pro Golf's Backwaters And Hours of Practice Pay Off**

By Leonard Shapiro  
Washington Post Service

**REDMOND, Washington** — All those nights of rearranging the hotel room furniture to work on his putting stroke, all those hours toiling at practice ranges around the world, and all those years spent in the backwaters of professional golf finally paid off for Vijay Singh of Fiji in the 80th PGA Championship at Sahalee Country Club.

With some remarkable shot-making, Singh held off playing partner Steve Stricker with a final-round 68 on Sunday to finish at 9-under 271 for a two-shot victory and the first major championship of a well-traveled career.

"I practiced so hard for this, it's a dream come true," Singh said minutes after hoisting the Wanamaker Trophy high above his head. "I told my caddy when we started, we can only do what we're capable of, and that's playing golf. If someone beats me, fine. We can't worry about how other people are playing."

Not even a sudden downpour as he came down the 18th fairway could dampen Singh's joy at becoming the first man from his island nation to win a major golf title. Singh, who switched to a cross-handed putting style in late June, had to scramble to win, and his save of par with a 15-foot putt at the 215-yard 17th after a poor bunker shot provided the final cushion for his sixth victory since joining the PGA Tour in 1993.

Two feet away from Singh's ball in the same bunker, Stricker also hit a weak shot from the trap, leaving himself a 12-footer. Singh went first and made his par putt, and said later he thought Stricker would follow suit because they shared the same line. But Stricker's attempt veered inches left and he made bogey to fall to 7 under, giving Singh a two-shot lead with one hole to play.

When Stricker put his second shot at the 475-yard 18th, the toughest hole on the course, in a greenside bunker and Singh hit a shot to within 30 feet of the pin, the drama among the towering evergreens had essentially ended. For the 10th time in the last 11 years, the PGA title was claimed by a player who had never won a major.

After Singh's first putt at the 18th fell four feet short of the hole, Stricker said he told him teasingly: "You were really aggressive with that one. He said his hands were sweating so much he could hardly hang on to the club. We had a good laugh, and at that point I knew he was going to win. He's a great player."

Stricker had to settle for second with a final-round 70 and 7-under 273, his eighth top-10 finish in his last eight events. But that was little consolation for a man who will long remember a double bogey in the water at the 17th hole Friday as his single worst swing of the tournament he lost by two strokes.

Steve Elkington, who overcame viral

meningitis earlier this season, made a strong bid with a 67 for 274. But the 1995 PGA champion missed a five-foot par putt at the 18th hole that might have put a tad more pressure on Singh, playing two groups behind, and finished alone in third.

Mark O'Meara, trying to become the second man to win three professional major championships in a season, had the crowds in full frenzy when he made a 40-foot eagle putt at the 507-yard No. 2. That got him to 4 under and he closed the gap to two shots with a birdie at the 195-yard fifth, making a 12-footer.

But his chance to match Ben Hogan's three major victories in 1953 ended with three straight bogeys starting at the 480-yard sixth. Still, he made a 50-footer for birdie at the 17th, and his 68 left him at 4-under 276 and in a tie for fourth with Nick Price and Frank Lickliter.

A two-time PGA champion, Price had the best run from far behind, tying the course record with a bogey-free 65. Starting the day eight shots behind, he got into the chase with a 25-foot eagle putt at the 11th to move to 4 under. In the end, though, he made seven straight pars, just missing a six-footer for birdie at 16 and an 18-footer off the fringe that hung on the lip and stayed out at 17.

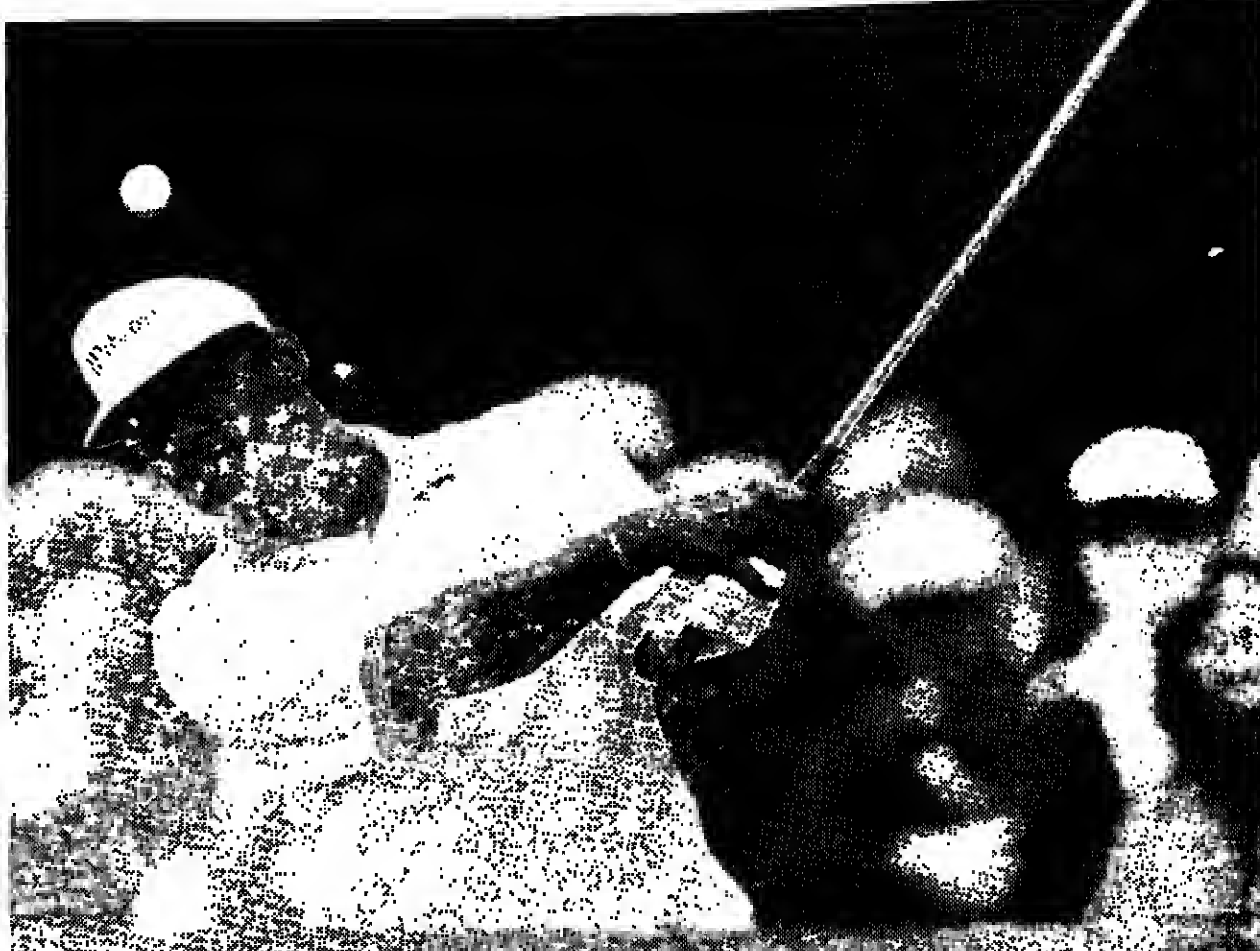
Tiger Woods' chances to get in contention also ended on the front nine, when he made back-to-back bogeys following a birdie at No. 5. His 71-279 tied for 10th, his third top-10 showing in a major this year.

Singh's best break of the day came at No. 11. From the middle of the fairway, he had 265 yards to the green, but his 3-wood was slicing badly into the trees. His ball hit a limb, then ricocheted left and hopped onto the green, giving him a 25-foot eagle putt. Singh two-putted from there to go to 9 under.

"I was lucky to get that on the green," Singh said. "It's a very difficult approach shot. When you're standing in the fairway, you only see a very narrow gap. If you do miss on the right, the worst you can do is make a par. I missed it right yesterday and got up and down. It was a relief to see the ball come down on the green."

There was more relief shortly after he pulled his tee shot at the 374-yard 14th hole into the trees on the left. Singh said his caddy scolded him, saying, "You can do better than that." On his next swing, Singh did.

Shooting through a funnel of fans, he had 110 yards to the front of the green and 130 to the pin, with an evergreen about 30 yards in front of him. His shot skittered onto the putting surface, 50 feet from the flag. He lagged to two feet and made a par that prevented him from falling back to a tie. Both men then birdied the 15th and parred No. 16, setting up their side-by-side duel in the sand at the 17th. It is a hole Stricker will not soon forget, costing him a chance to win his own first major.



Vijay Singh blasting out of a bunker on his way to victory during the final round of the PGA Championship.

**From Early Setback to Great Career**

**Stung by Cheating Scandal, Fijian Set Out to Perfect Technique**

By Jim Litke  
The Associated Press

**REDMOND, Washington** — All of the club pros had been cut from the field when the PGA Championship was decided Sunday. In a real sense, though, the trophy went home with one of their own.

Vijay Singh doesn't work behind the counter in a pro shop in Borneo any more, he doesn't have to sell shirts or give lessons until his hands blister to make sure his family is fed. But even now, none of his fellow Tour pros spends more time on the practice range. And considering the two most important things about the PGA, none of them may have been more deserving.

First of all, the PGA came into being in 1916 because the department store tycoon Rodman Wanamaker saw merchandising possibilities in golf. He co-vented a handful of roughish pros that the best way to improve their image among the country club set was to establish a tournament as prestigious as the U.S. Amateur and the Open were at the time. Second: For the first five decades of its existence, this tournament was strictly a match-play event.

In retrospect, they make Singh's victory seem like the good fit it turned out to be. Stung by a cheating scandal while playing the Asian tour in 1985, he was regarded as the most ruthless of pros early in his career. And on this day, Singh proved he could handle himself in the toughest of match-play situations.

Good thing, that. He and eventual runner-up Steve Stricker went out at noon Sunday tied at 7-under and it became a match play right from the start.

At the 507-yard, par-5 second hole, Stricker hooked his drive into the woods left of the fairway. After looking at his lie, he returned to the fairway, where Singh was parked 263 yards from the flag, still holding the 3-wood he used on the tee. Knowing he would be forced to lay up, Stricker inquired whether Singh wanted to wait until he played. "I'm still thinking," Singh said. "Go ahead."

Stricker was barely able to advance the ball 80 yards. Seeing that, Singh immediately bagged the 3-wood in favor of a short iron. Rather than risk going for the green with his second shot, he played safely another 160 yards down the fairway, wound up making par to Stricker's bogey, and set the tone for the rest of the day.

Walter Hagen, the patron saint of this major, would have approved. He was in attendance at the meeting where the PGA Championship was born and he won it five times, four of them in a row (1924-27).

And the only thing closer to his heart than gamesmanship — all of Hagen's wins came when the championship was still a match-play event — was elevating the status of his profession. Back in Hagen's day, golf pro was such a dubious job description that the players weren't allowed inside the clubhouse where the tournaments were played.

In that sense, Singh's early career did little to advance the cause. HE GREW up in Fiji, the son of an airline worker, and developed a long, fluid swing through countless hours spent studying videotapes of the American golfer Tom Weiskopf.

By 1982, at age 19, Singh was good enough to try his hand on the Asian tour. Three years later, during the Indonesian Open, tournament officials charged that Singh signed a scorecard with one less stroke than he had made. It cost him his playing privileges for two years, a stretch of time he will not say much about today.

But the basic facts are these: Singh, humbled, stalked off to Borneo and took jobs at several courses. He did all the lowly things club pros do to scratch out a living — sold shirts, gave lessons, mowed the tees, set the pins — all in 100-degree heat.

"It was," he said Sunday, "the low point."

But the one thing that set him apart from his fellow club pros back then, the thing that sets him apart from his fellow touring pros even now, is that Singh used most of his free time and every available sliver of daylight to hit balls on the practice range.

Whether it was a habit born of ambition or guilt, he has become such a fixture on the range at twilight that it seems he is trying to knock the moon out of the sky with the last ball in his basket.

In the process, he became the consummate pro.

Singh joined the PGA Tour in 1993, became Rookie of the Year and has won five times since. He has not turned out to be one of those guys who do most of the winning and get nearly all the publicity.

Rather, Singh became one of the hard workers, one of the guys who show up at two dozen tournaments each season, one of those bedrock guys on whom the pro game is built.

Asked how winning a major might change him, Singh answered, "I think I'm just going to keep doing what I've been doing all along."

Then someone asked whether that included heading over to the range after he was through in the interview room.

The driving rain that had begun when Singh stood on the 18th green was still pounding a staccato beat on the roof of the tent.

"Not in this weather, no," Singh said, almost reluctantly.

**Fiji Hears Good News by Phone**

Singh's victory gave Fiji one of its greatest moments in international sports — although the population of 800,000 had almost no way to witness it, The Associated Press reported from Suva.

There was no television coverage of the event in Fiji and the sport's leading local official heard the final stages of Singh's victory by telephone from the United States.

Sir Timoci Tuivaga, president of the Fiji Golf Club and the country's chief justice, was called by a friend, Mahendra Singh, who was watching in the United States. He held the telephone to the television so Sir Timoci could hear the commentary and the winner's interview.

"It's thrilling news," Sir Timoci said. "This is the highest international sports achievement ever by a Fiji islander sportsman. It's the biggest win of all for Fiji — a wonderful thing."

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**A U.S. First: United Wins Concacaf Cup**

Washington Post Service

**WASHINGTON** — The defender Eddie Pope scored late in the first half, the goalkeeper Scott Garlick made a critical save late in the second and D.C. United held off the Mexican champion Toluca, 1-0, to win the Concacaf Champions' Cup.

The victory Sunday means United can claim to be the best soccer club in a region that encompasses North America, Central America and the Caribbean. It became the first U.S. team to win the tournament, which has been dominated by Mexican teams.

In addition to the trophy, United collected a \$125,000 prize and an invitation to the Inter-American Cup, a two-game series against the South American champion — Vasco da Gama of Brazil or Barcelona of Ecuador.

It also remained in the running for a berth in a proposed world club championship. If the competition is approved by FIFA, soccer's world governing body, Concacaf — the governing body for soccer's North American region — would determine its representative, but after this victory United can make a strong case for inclusion.

"We don't claim to be the best league in the world or in the best five," said Bruce Arena, coach of United, which represents Major League Soccer. "But this is a tremendous accomplishment in that we're not quite three years old and we can play with some of the finest teams in a very good Mexican league."

**CHILE** The Chilean championship match between Rangers and Aucas in the northern city of Talca was abandoned at 0-0 after 50 minutes when a linesman

suffered a deep cut after being hit by an object thrown from the crowd.

Concepcion, the second-placed team, beat Temuco, ranked last, 1-0, with a controversial goal. In the 88th minute, the ball appeared to enter the net through the side netting.

**BRAZIL** Marcelinho Carioca scored his eighth goal in six games to give Corinthians, the club coached by the new coach for Brazil, Vanderley Luxemburgo, a 1-0 win over Botafogo.

Carioca's free-kick goal kept Corinthians in the lead for the Brazilian championship, one point ahead of Sport Recife, which beat Sao Paulo, 1-0, with a last-minute goal by Robson. Robson, who appeared to be in an offside position, scored five minutes after Dodo had missed a penalty for Sao Paulo.

(WP, Reuters)

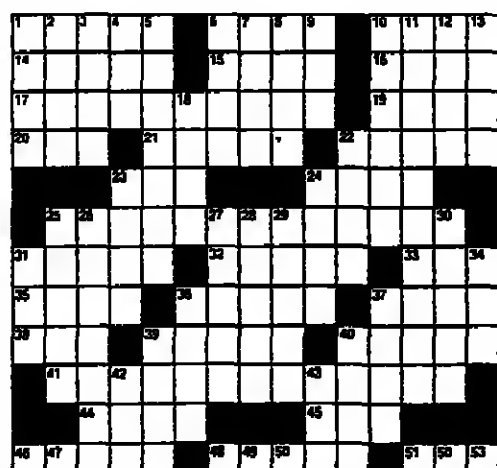
**CROSSWORD**

**ACROSS**

- 1 Leave without paying
- 6 Over the edge
- 10 Not fooled by
- 14 Group that has its own organ
- 15 "The Black Stallion" boy
- 16 Denunciate, with "at"
- 17 1968 Rossini/Russell comedy
- 18 As to
- 20 British sports cars
- 21 Utopias
- 22 Dial sounds
- 23 Plus
- 24 Like unwashed hair
- 25 1955 Fred Astaire/Leslie Caron musical
- 31 Gardens amidst the sands
- 32 Left, at sea
- 33 Photo
- 34 Abbr. on an envelope
- 35 Free, as knots
- 37 — Alto, Calif.
- 38 Mink's coat
- 39 Hankering
- 40 Arrived
- 41 1981 Joan Crawford expose starring Faye Dunaway
- 44 Chop (off)
- 45 "She loves me —"
- 46 Clumps of earth
- 48 Take care of
- 51 Verse on a vase
- 54 Throw a tantrum
- 55 1963 film of a Chekhov classic with Laurence Olivier
- 57 Word after "Roger"
- 58 Wit Mort
- 59 Animated Fudd
- 60 Caution
- 61 "I" problems
- 62 Tale pages?
- 22 Pinball lout
- 23 Yamen city
- 24 Very nasty sort
- 25 It's a fact
- 26 Reader of heavenly signs
- 27 Hope of "Peyton Place"
- 28 Made a choice
- 29 Ping or zing
- 30 Challenge for a bowler
- 31 Bumbling one
- 34 Junior
- 35 "Exodus" author
- 37 Dickenson or Frost, e.g.
- 38 Ballpark figures
- 40 Moved to the music, strongly
- 42 Contemporary
- 43 Upfront money
- 47 Volcanic flow
- 48 Barely catch
- 49 Kind of chamber
- 50 Building extensions
- 51 Treater's words
- 52 Changed colors
- 53 Pairs with drums
- 56 Take advantage of
- 58 Hearty brew

**DOWN**

- 1 Rip off
- 2 Hood
- 3 They're charged
- 4 Like a fiddle?
- 5 Hit 1980's NBC sitcom
- 6 Clue, for one
- 7 Money guru
- 8 Precious stones
- 9 Woodsman's tool
- 10 Cal Ripken, for one
- 11 Female butters
- 12 Spare, maybe
- 13 Bullfight bravos
- 14 Whirlpool



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<http://www.ift.com>

**Rafter Outlasts Unhappy Sampras**

The Associated Press

**MASON, Ohio** — Patrick Rafter had just won his second straight tournament. He had beaten the World No. 2. The one thing missing was a handshake from Pete Sampras.

Rafter was at the net, his arms raised after beating Sampras, 1-6, 7-6 (7-2), 6-4, to win the ATP Championship Sunday. Sampras was still glaring at the official who made the line call on match point.

"It's a little bit disappointing, because it took a bit of a spark away from the end," Rafter said. "It's my occasion, it's my time. I want to enjoy it."

Sampras was upset that the umpire overruled the lineswoman who called the ball out. He congratulated Rafter, but refused to shake hands with the umpire.

"I felt it was a bad decision," Sampras said. "For me to kind of unload on him, he definitely knew he made a mistake because I never do that."

praps from regaining the No. 1 ranking from Marcelo Rios.

After Sampras won the first set in 27 minutes, Rafter changed his strategy.

"I started serving to the forehand more. He wasn't quite as strong on that side," Rafter said.

After he won the second set in a tiebreaker, play slowed as Rafter wore down Sampras on a hot, humid afternoon. Rafter won the match with an ace that Sampras thought was out.

"That's not why I lost the match, but it certainly ended it on a bad note," he said.

In Manhattan Beach, California, Lindsay Davenport kept Martina Hingis off-balance with powerful serves and deep groundstrokes to capture the Acura Classic, 4-6, 6-4, 6-3. It was Davenport's third consecutive WTA Tour title.

"To beat the No. 1 player in the world where I used to come and watch as a little girl is a great ending for the whole month," said Davenport, who grew up nearby.



Martina Hingis kicking at the ball after losing a point to Lindsay Davenport in the final of the Acura Classic.

**A Yankee Tee Both Would**

**SCOREBOARD**

**UNIVERSITY**

**BASEBALL**

**FOOTBALL**

**BASKETBALL**

**SOCCER**

**WRESTLING**

**BOXING**

**OTHER**



## SPORTS

# A Yankee Team Ruth Would Love

## Williams' Blast Honors 'the Babe'

By Jack Curry  
New York Times Service

NEW YORK — The New York Yankees offered a tribute to Babe Ruth on the 50th anniversary of his death before the game with the Texas Rangers, eliciting respectful cheers from 50,304 fans at Yankee Stadium. The video-tape described how important Ruth was to the Yankees, so renowned that he is credited, figuratively, with building the stadium.

Then Bernie Williams provided a real-life tribute by dramatically ending the game Sunday with a ninth-inning home run into the upper deck off Javier Hernandez, eliciting raucous cheers as the Yankees snatched a 6-5 victory from the Rangers. It was a perfect tribute to Ruth, the Hall of Fame home-run hitter. It was also a perfect ending to the game for the Yankees, and it showed that they can be less than perfect and still prevail. Even Ruth would adore this team.

"It was a good way to end the game," Williams said. "It was very exciting. It's very coincidental it came up on that date. It's a great tribute to his memory. We didn't plan it that way, but it turned out great."

Most days, everything turns out great for the Yankees — even when David Wells, the ultimate Ruth fan who scrawled Ruth's No. 3 on the back of his cap, is up in the strike zone and gives up three homers while laboring to last six innings. The Yankees survived behind Williams' four hits, part of a 17-hit barrage, and a dependable bullpen. And they eclipsed another Major League record in the process.

By winning for the 90th time in 120 games, the Yankees became the fastest team to reach 90 victories, according to the Elias Sports Bureau. The 1944 St. Louis Cardinals were also 90-30, but they had three ties that were not reflected in their record, so it actually took them 123 games to win 90. The Yankees stand by themselves.

"It does stagger me," Joe Torre, the manager, said. "It's incredible to think of 90 wins by the middle of August. It's a heck of a bite. It's not that easy to do. So many things can go wrong."

Sunday proved that. The Yankees coasted to a 3-0 lead after two innings as Derek Jeter belted a two-run homer into the upper deck in right field in the first, the day's first Ruthian shot, and Darryl Strawberry pounded his team-best 22d homer into the second.

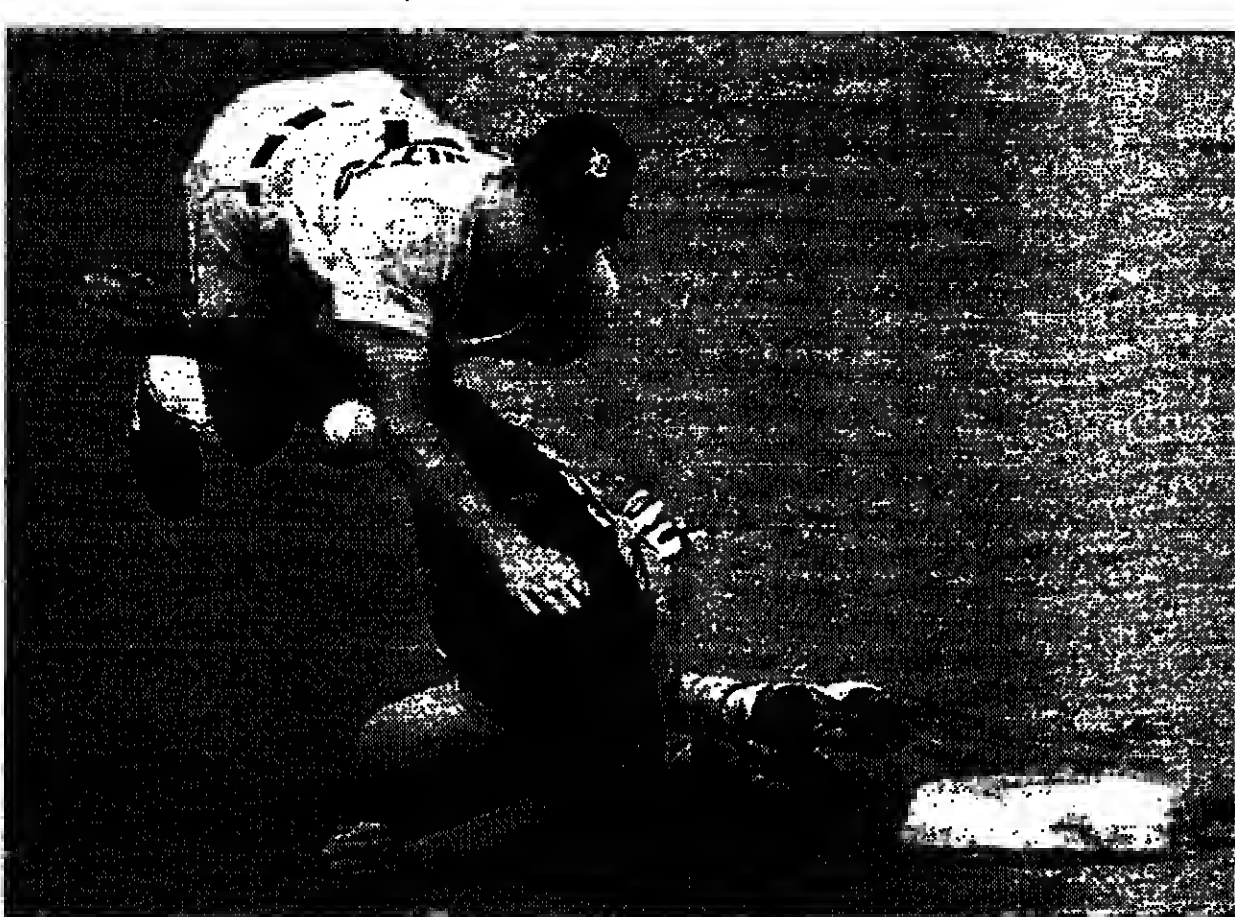
Jeter offered tribute. Ruth with his shot, a 391-foot to the opposite field off Esteban Loaiza. Jeter had never even hit one there during batting practice.

"That's a long way," said Jeter, who extended his career-high homer total to 15. "Babe Ruth must have been up there blowing it."

Torre said: "Guys who have played here and been here don't remember a right-hander hitting a ball there. When he got back to the dugout, he said, 'Wow.'"

"It's what baseball is all about," Williams said. "Are you kidding me? People have dreams of doing things like this."

Especially in the House that Ruth built.



Tigers' second baseman Frank Catalanotto leaping over sliding Ed Sprague of Oakland to complete a double play.

# Alomar Gets Big Hit, Then Blasts Fans

The Associated Press

Sandy Alomar shook off a season-long slump with a game-tying double to help Cleveland break its losing streak, but it did not seem to make him happy. David Bell hit a go-ahead sacrifice fly

AL ROUNDUP

In the seventh as the Indians beat the Baltimore Orioles, 5-3, Sunday to avoid a four-game sweep.

Alomar, following the best offensive season of his career with his worst, ended a 7-for-57 slide with the double that tied the game at 3-3.

Despite the big hit, Alomar was fuming after the game. He ripped Cleveland fans for not appreciating him.

"I'm out there every day, and I don't think I've wasted my season," said Alomar, who is batting .243 with six homers and 41 runs batted in. "I think I've played great defensively. I've handled my pitching staff. I've busted my rear end every day."

Baltimore's Eric Davis was 0-for-3 with a walk and three strikeouts, ending his hitting streak at 30 games.

White Sox 5, Mariners 3 In Chicago, Ray Durham homered and drove in three runs as the White Sox won for the eighth time in 12 games. Ken Griffey, who hit his 42nd homer Saturday, went 0-for-4.

Twins 8, Red Sox 3 Matt Lawton tied a career high with four hits and Eric Milton started with five hitless innings as Minnesota built a 6-0 lead at Fenway Park.

Devil Rays 8, Royals 3 Wade Boggs and John Flaherty each drove in two runs, but visiting Tampa Bay became the first team eliminated from divisional contention. The expansion Devil Rays trail the Yankees by 42½ games with 41 to play.

In games reported in late editions Monday:

Tigers 6, Athletics 4 Bryce Florie, the Detroit starter, struck out a career-high 10 to beat Oakland at Tiger Stadium. He allowed five hits in 8½ innings, the longest outing of his career.

Blue Jays 6, Angels 4 Chris Carpenter, who didn't allow a hit until Jim Edmonds singled leading off the fifth, got a 5-0 lead and held off the visiting Angels on four runs and 10 hits in 8½ innings.

# Sosa and Wood Overpower Astros

The Associated Press

With one swing of the bat, Sammy Sosa caught Mark McGwire and Juan Gonzalez. Even with a game full of at-bats, the Houston Astros couldn't catch Kerry Wood. Sosa hit his 47th home run, tying McGwire for the major league lead in

47 homers and didn't walk, going 2-for-5 with two singles and three strikeouts in the Cardinals' loss in St. Louis.

Phillies 8, Rockies 7 Bobby Estalella hit his first career grand slam, and Bobby Abreu added a two-run shot, as Philadelphia held on to beat Colorado in Denver.

NL ROUNDUP

The Chicago Cubs' 2-1 victory over the Astros on Sunday.

Wood struck out 11 in three innings for the Cubs, but it took pinch-hitter Manny Alexander's run-scoring single in the 11th inning to give Chicago victory in Houston.

Wood, who struck out 20 Astros with a one-hitter on May 6, allowed one run and three hits, walking two. Still, he didn't consider himself dominating.

Wood raised his strikeout total to 204, becoming only the fourth Cubs pitcher this century to reach 200.

Sosa's home run got him even with Gonzalez of Texas for the major league runs-batted-in lead at 119. That also matched Sosa's career high, accomplished in both 1995 and last year.

Padres 4, Brewers 0: Brewers pitched a one-hitter for his third shutout this year and struck out 11 to match his career high as the Padres beat Milwaukee in the first game of a doubleheader in San Diego.

The Brewers rallied to win the second game as Jeremy Burnitz hit a two-run homer and Geoff Jenkins had a solo shot.

Pirates 4, Cardinals 1 Mark McGwire remained stuck on

Met pitchers walked 10 batters, and New York committed two errors, one by second baseman Carlos Baerga with the bases loaded in the fifth, to drop a half-game behind Chicago in the NL wild-card chase.

In a game reported in late editions Monday:

Reds 8, Expos 1 In Cincinnati, Reggie Sanders singled, doubled, tripled and scored four runs as the Reds took advantage of Montreal's ragged play to gain a sweep.

## SCOREBOARD

### BASEBALL

#### MAJOR LEAGUE STANDINGS

##### AMERICAN LEAGUE

###### EAST DIVISION

New York	70	52	250
Boston	71	50	247
Baltimore	65	58	238
Toronto	62	61	234
Tampa Bay	48	73	207

###### CENTRAL DIVISION

Cleveland	67	55	249
Kansas City	55	68	235
Chicago	54	68	233
Minnesota	54	68	233
Detroit	48	73	207

###### WEST DIVISION

Seattle	64	57	237
Los Angeles	63	58	236
San Francisco	55	66	230
Oakland	54	69	224

##### NATIONAL LEAGUE

###### EAST DIVISION

Atlanta	82	42	264
New York	66	58	236
Philadelphia	62	62	232
Montreal	49	75	205
Florida	44	80	194

###### CENTRAL DIVISION

Houston	76	48	263
Chicago	68	56	248
St. Louis	59	65	241
Minnesota	56	68	237
Cincinnati	56	68	237
Pittsburgh	56	68	237

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### DENNIS THE MENACE



### PEANUTS



### GARFIELD



### BEETLE BAILEY



### BLONDIE



### WIZARD of ID



### NON SEQUITUR





## ART BUCHWALD

## Taking a Chance

**MARTHA'S VINEYARD.** Massachusetts — I happen to be a friend of Mike Barnicle, the Boston Globe columnist who got into a jam when he printed the jokes of George Carlin without attribution. Mike was asked to resign, and then the Globe changed its mind and gave him a two-month suspension.

Columning is a dirty business, but someone has to do it. Most of us who do it can feel another columnist's pain. I am not tempted to take other people's stuff until it is 5 o'clock, and my deadline is upon me, and people like Russell Baker have a much better idea than I do, and I know he doesn't read my column, so why not take a chance?

Almost every columnist has pulled a Barnicle.

My worst boo-boo took place years ago when I received a letter from a gentleman who said I might like this story: A basketball coach wanted to recruit a very tall

high school player in a town 40 miles away. He went there and discovered the boy's mother was a divorcee.

The coach decided the best way to get the boy was to woo the mother.

In a week the mother was in love with the coach, and he was certain that he had wrapped up the deal.

But when he got home he discovered a letter from the mother who said her son had decided to go to Purdue, but that she had decided to attend the coach's school.

You'll have to admit this was a good story and would even make a good movie.

Alas, five days later I received a letter from a reader who wrote, "That was a real good column and read even better than when I saw it two months ago in Sports Illustrated."

Fortunately, no one at S.I. caught the column, and I wasn't fired or suspended. I haven't picked up any ideas from the mail since.

I never will — unless it's 5 o'clock at night, and the editor is screaming for my copy, and George Carlin sends me his latest book of jokes.

## Garrick and Disney See Eye to Eye

**LONDON** — A London club that owns part of the rights to Winnie the Pooh has agreed to sell the copyright to the Walt Disney Corp. to use for an additional 20 years.

Disney already owns the rights to all of the writer A.A. Milne's works and characters until 2026, but it wants to extend the arrangement until 2026, the British news agency Press Association reported. Members of the Garrick Club — established in 1931 for actors, writers and politicians — said they turned down the chance to pocket about \$60,000 each from the sale and decided instead to put the money into a charitable trust and a fund for the club's upkeep.

When he died in 1956, Milne left the rights to the honey-loving bear and his friends to five beneficiaries: his family, the Garrick Club, the Westminster School, the Royal Literary Fund and the illustrator E.H. Shepherd. It was unclear whether the other beneficiaries must approve the sale.

## Klezmer Band Revives Jewish Culture in Poland

By Peter Finn  
Washington Post Service

**SEJNY, Poland** — Off a dirt road, in a ramshackle barn near the border with Lithuania, one of America's best known klezmer musicians, David Krakauer, leads seven young Poles — none of them Jews — in a fiery energetic rendition of the Yiddish classic "Hava Nagila."

Even a doleful farmer, cutting hay in an adjoining field, stopped momentarily to tap his foot to the music's celebratory pitch and, perhaps, savor the sheer oddness of the moment.

By a most circuitous route, the strains of klezmer — a form of Jewish folk music that had its origins in Eastern Europe — have returned to this town of 6,000 people where before World War II half the population was Jewish and where today there are no Jews.

"That was a million times, a million times better," said a delighted Krakauer as the final practice of the piece ended. Michal Moninszko, 21, who plays bass, translated the compliment, and the rest of group, called simply the Klezmer Band, basked in their teacher's pleasure.

"We came to klezmer because of the energy," explained Moninszko, a student of Polish literature at Warsaw University. "We loved hard-rock music. And because the energy of hard rock and the energy of klezmer are so close, we found this new way of expression for us."

And in the area anchored by this border town, these young musicians, who all grew up in Sejny, have become a sought-after dance band, taking the traditional wedding music of pre-World War II Jews and turning it into a minor pop-culture phenomenon.

In the nine years since the collapse of Communist rule, there has been a resurgence of interest in an exterminated past: the life and culture of Central and Eastern European Jewry. In Poland, particularly,



David Krakauer, foreground, playing clarinet with his seven-man Klezmer Band in Sejny, Poland.

synagogues have been restored, plaques to Jews raised, cultural festivals created and lost Jewish ancestries rediscovered.

Some of this activity, like the music-making in Sejny, is Judaica without Jews. And as Krakauer acknowledges, the effort, however earnest, risks reducing the Jewish experience to an exotic curiosity, a mere fashion.

"If you are going to play klezmer in Poland, then you have to confront the past; you have to look at the maggots under the stone," said Krakauer, 41, a New York-based clarinetist and the principal in the group Klezmer Madness!

"I see a real effort on the part of these young people to not only enjoy the music but to understand the music, where it came from, why it was lost here."

Robert Tomkiewicz, 23, who

plays mandolin and, like Moninszko, studies Polish literature at Warsaw University, said:

"It's great music, but it's also a connection with the past, not just a monument or a book or a building, but a spiritual connection. The music, I think, helps us find something that was hidden away, that was silent for so long."

Krakauer met Sejny's klezmer band in 1997 at the Krakow Jewish Culture Festival, an annual assortment of activities that includes everything from kosher cooking to concerts and is the most prominent example of the revival of interest in things Jewish in Poland.

After the festival's final concert last year, Krakauer and the band decided to play a couple of tunes together at a party for the festival's performers.

"I just got into this musical trance," Krakauer said, "and we

played for four hours. They asked if I would come to Sejny and hold a workshop. They talked about their town, and I thought, 'That's just the kind of place my family came from. I wonder what's there.'"

The vast majority of Sejny's Jews perished at the Majdanek concentration camp in eastern Poland. Traces of Jewish life — the synagogue, the yeshiva and the Hebrew high school — still stand in the center of town. In the Communist years after 1945, the synagogue was a warehouse for chemicals, the yeshiva was a shoe factory, and the school was left to crumble.

After the election of a democratic government in 1989, a collection of actors, musicians and directors who had worked in underground theater in the 1980s decided to create what they called the Borderland Foundation and the

Borderland Center of Arts, Culture and Nations.

The group decided to locate in northeastern Poland, a region where borders and peoples — Poles, Belarusians, Lithuanians, Jews, Russians and Germans — have been in violent flux for centuries.

"We're trying to create a new ethos about our many cultures living together," said Krzysztof Czerwinski, 40, president of the foundation and a former theater director.

In 1996, as part of that effort, the Borderland Center staged the Yiddish drama "Dybbuk" and recruited some young local musicians to learn and play some klezmer for the performance. With the Borderland Foundation's support, the group obtained klezmer recordings to listen to and copy, and they began to perform locally.

A strange thing happened, Czerwinski said: "It became a part of modern culture here. There were great dance concerts every month, and the band became like rock stars, you know."

Krakauer, who is preparing the band for a weekend concert at Sejny's former synagogue, is not star-struck, however. In the barn, dappled with light from holes in the roof and wall, he played and improvised and encouraged and conducted with whirlwind energy. The young musicians, at first timid, soaked up his passion.

"It's not about trying to imitate old klezmer, it's about trying to make really good music," Krakauer said. "And you've got to feel it down here," he said, putting his fist in his gut. "Let's do it again," he said, and the band eased into the slower tempo. "Nokh a Glezl Vayn" (One More Glass of Wine).

The acidic mournfulness of the tune enveloped the band, which, by Krakauer's description, stopped thinking and began playing. "That's it," he said. "You're there. You're there."

## PEOPLE

**THE** beat goes on for a new generation of Sonny and Cher wannabes, who flocked to Times Square to try out for a television movie about the 1960s singing duo. Dozens of would-be Chers showed up in spiky lashes, feather boas and tight pants. A handful of Sonny Bonos turned out sporting the droopy mustache and Dutch boy haircut he wore back then. ABC hopes to find the stars of "And the Beat Goes On: The Sonny and Cher Story" at auditions in New York, Los Angeles and Chicago. Many of the hopefuls are too young to remember "The Sonny and Cher Comedy Hour," which aired on CBS in the early 1970s. The TV movie is based on Bono's 1991 autobiography. He died in a skiing accident last January.

I. M. Pei, 81, was awarded the 1998 Edward MacDowell Medal on Sunday for outstanding contributions to the arts. He is the first architect to receive the award. The architect designed the Kennedy Library in Boston, the Louvre Pyramid in Paris, the Rock and Roll Hall

of Fame in Cleveland and the East Building of the National Gallery of Art in Washington. The medal is named in honor of Edward MacDowell, an American composer and founder of an artists' retreat in Peterborough, New Hampshire.

The police in Auckland, New Zealand said they had recovered an 1874 oil painting by the French artist Jacques-Joseph Tissot valued at \$1 million, and a suspect has been arrested to the Aug. 9 theft from the Auckland Art Gallery.

Now it's Mike Wallace's turn to be upset. Wallace, who has often angered the subjects of his stories on "60 Minutes," is challenging a movie based on the 1995 incident in which a segment on a tobacco industry whistle blower was scuttled by CBS management. The film portrays Wallace and the executive producer, Don Hewitt, as egomaniacs who came in to corporate pressure, according to TV Guide. Lowell Bergman, a former "60 Minutes" producer who

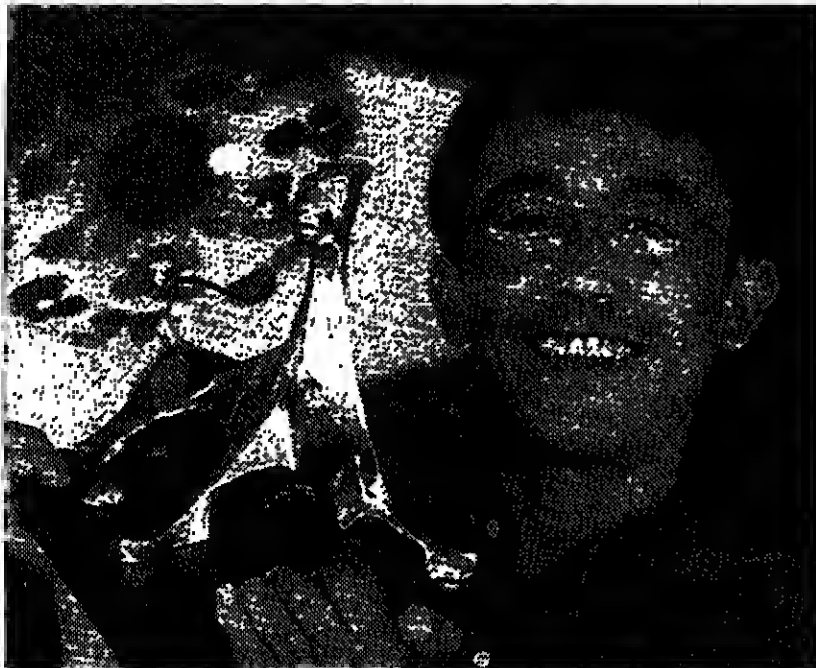
serves as a consultant to the film, says CBS killed his story because it feared a lawsuit. He went public about the incident and eventually the piece was aired. Wallace, who is played by Christopher Plummer in the film, says he was unfairly depicted.

Sophia Loren is "feeling fine" after being hospitalized with an irregular heartbeat. According to her publicist, Loren, 63, was simply fatigued. However, Loren's husband, the producer Carlo Ponti, told officials of the Venice Film Festival that his wife would not be able to attend a ceremony there Sept. 3 to receive an award honoring her career.

Jerry Seinfeld, Tim Conway, B.B. King, Cybill Shepherd, Bonnie Raitt and the late Cary Grant are among 63 celebrities to be honored by the Orpheum Theatre in Memphis, Tennessee, when the star walk in front of the theater is dedicated in November. But Robert Goulet, who has appeared three times

on the Orpheum's stage, will be the first to get the star treatment when he comes to town Aug. 25 in a Broadway touring production of "Camelot." In the Dominican Republic, meanwhile, the Spanish singer Julio Iglesias and the Mexican singer Marco Antonio Muniz are the first non-Dominicans to be honored on Santo Domingo's Boulevard of Stars.

A former U.S. government intern is suing Jay Leno over a gag on "The Tonight Show" based on a recruitment brochure bearing her picture with President Bill Clinton and boasting opportunities for "hands-on experience." Carrie Photos seeks more than \$75,000 from Leno and three other defendants, including the Detroit television station that aired the show, the Detroit Free Press reported. Photos, 24, contends she suffered "embarrassment, humiliation and indignity." The 1996 Alhion College honors graduate has endured numerous phone calls and jokes about the Leno joke, her attorney said.



**STRIKING GOLD** — Chinese filmmaker Lue Yue with the Gold Leopard award for his "Zhao Xiansheng" at the Locarno, Switzerland, festival.



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